

EASTERN WORLD

THE ASIA MONTHLY

London

Volume XIV Number 10

October 1960



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Wind of Change in UN

Ferment in Laos

Commonwealth or Common Market?

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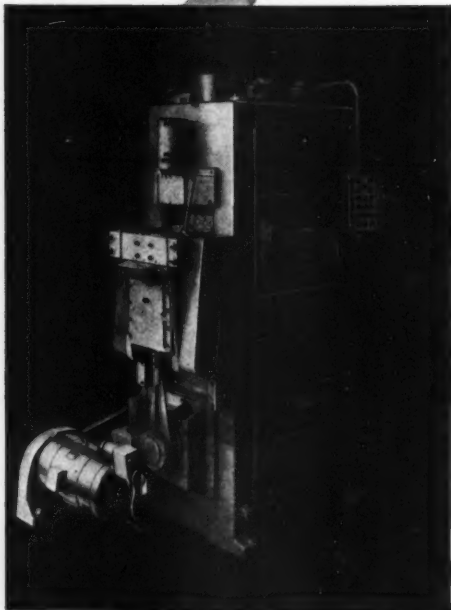
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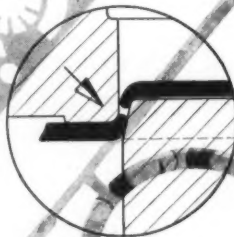
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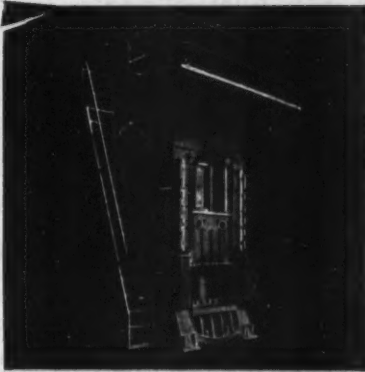


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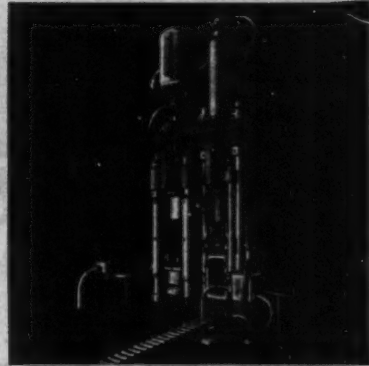


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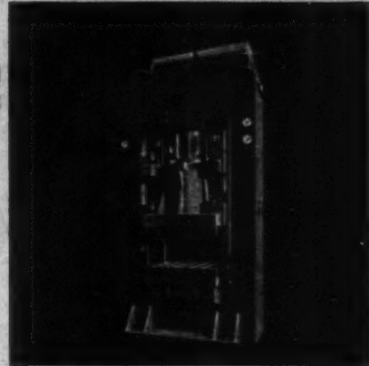


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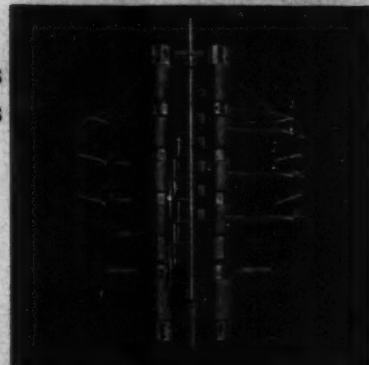
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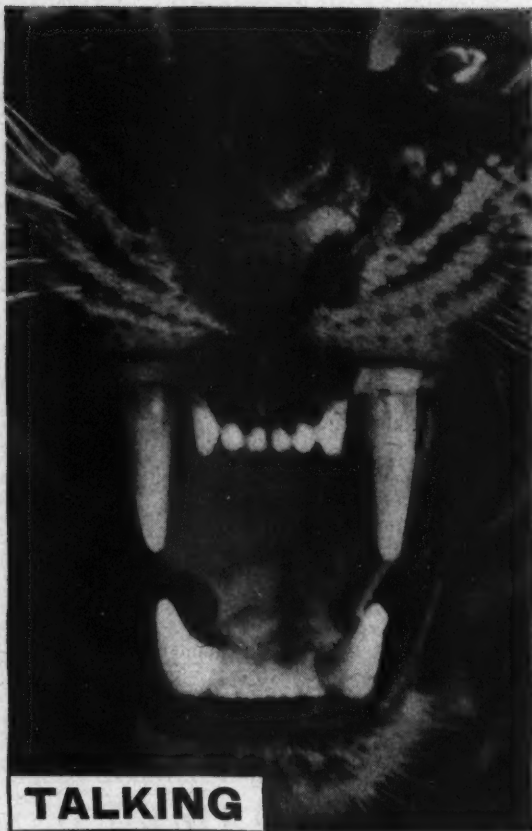
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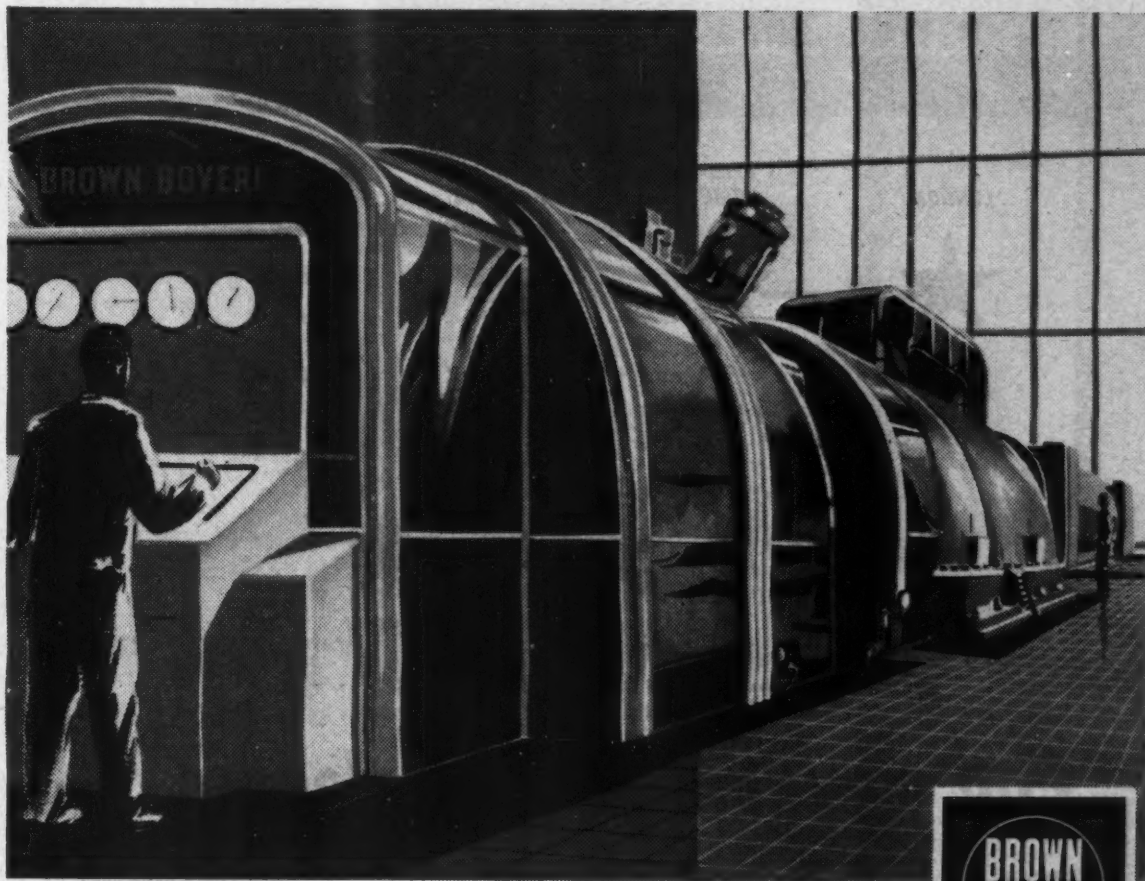
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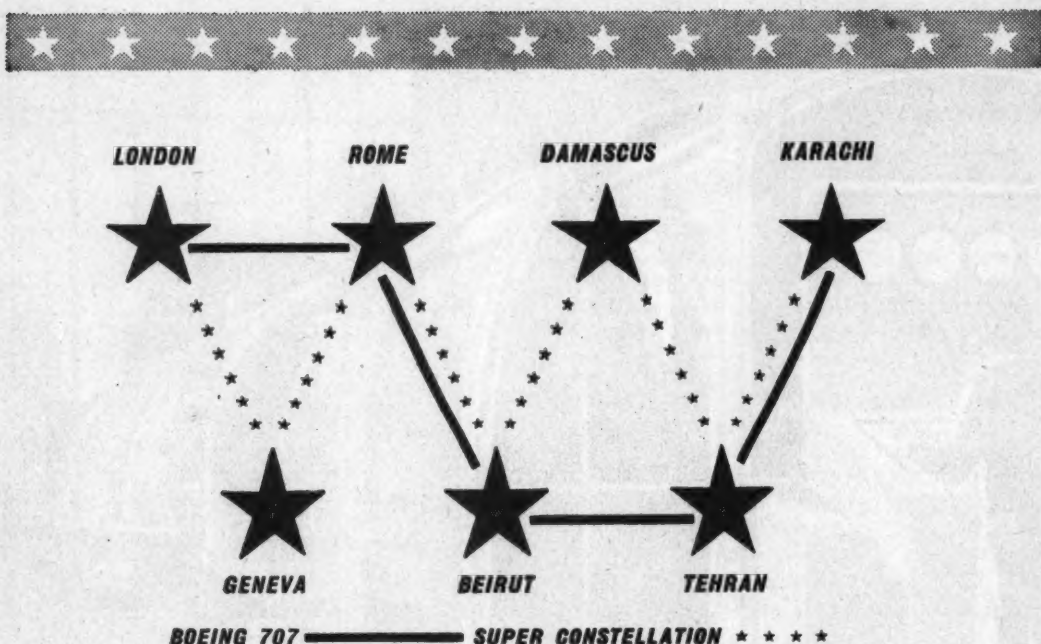
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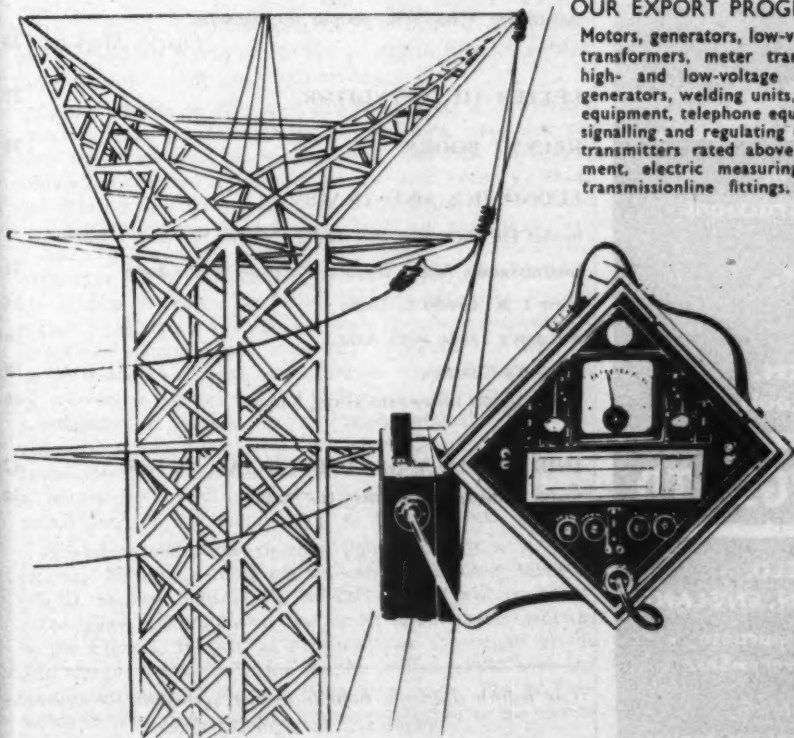
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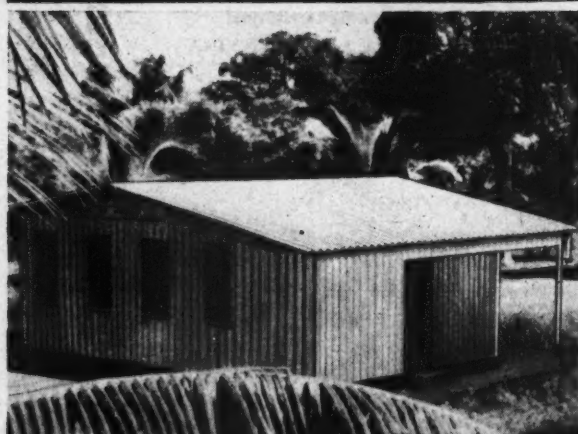
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The Editor does not hold himself responsible for opinions expressed in signed articles.

EASTERN WORLD

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Commonwealth or Common Market?

IN the political catechism, the bond holding the Commonwealth countries together is a mystery that cannot be explained. It may apparently be either very rigid or as elastic as any of its members would like it to be. For ten years Commonwealth interests have prevented Britain from being merged with Europe. Both Government and Opposition argued that, though much attracted by Europe, they must hold fast to the Commonwealth—their primary concern. Since Mr. Macmillan's visit to Dr. Adenauer last August, however, there has been an about-turn in Britain. From official and self-opinionated financial quarters alike it is being said that the Commonwealth need not be an insuperable obstacle to Britain's joining the European Common Market. If NATO and other defence commitments of Britain have not weakened this diverse family, then neither need an economic *Anschluss* with a Franco-German Europe throw it into sixes and sevens.

To the pundits of Whitehall and Fleet Street it now seems irrelevant that the Commonwealth countries have not yet been fully consulted on this question, and that no proper studies have been made as to how each country's trade and other economic interests would be affected. Nor is it even established that British trade itself will gain more than it loses by Common Market tariff policies. The reported mutterings of Mr. Macmillan in Washington last March on the abiding purposes of British foreign policy in Europe against a German or French hegemony have been conveniently forgotten. There is not even any assurance that the Six of the Common Market are willing to accept Britain as one of themselves unless Britain first agrees to surrender her sovereignty by stages to a "supra-national" European authority. Yet responsible Whitehall officials have told Commonwealth diplomats in London that it is now a question of only a few weeks or months before Britain signs on the dotted line for full membership of the Common Market.

Viewed against public opinion, the official line is no small enigma. No one in these islands—whether Cabinet Minister, official, banker, industrialist, military man, typist or housewife—seems to have grown any fonder of either the Germans or the French. In fact, at no time since the height of the cold war in the early 'fifties has the British public been less favourably inclined towards them than now. The political trends in West Germany and France are despair to the man in

the street, while the more informed note that a serious strain is developing in Britain's relations with the major continental powers.

In their discussion on problems of mutual interest as well as world economic issues, the Commonwealth Finance Ministers in London last month must have given an important place to the question of British membership of the Common Market and the hard fact of the growing Anglo-German economic rivalry. These questions have become more critical in the past month as America, on the ground of its own commercial interests, has since come down more openly on the side of the Common Market, though the latter works against the basic principles of GATT, now meeting in Geneva.

The Economist Intelligence Unit, commissioned by the "Britain in Europe" organisation, has just published *The Commonwealth and Europe*, a bulky reference book that concluded with advice of ways of reconciling a common European policy with Commonwealth interests. Another recent publication, *Commonwealth Preferences in the United Kingdom*, by Political and Economic Planning, shows that preferences given by Britain are falling steadily and are now not much more than 4 or 5 per cent on a limited number of imports. A number of commentators have deduced from this that a British decision to join the Common Market will not be resented by other Commonwealth countries—a conclusion not drawn by the pamphlet itself. Perhaps more in tune with public sentiment is the study paper *Commonwealth Economic Policy*, published by "The Expanding Commonwealth Group" of Conservative MPs. This argues that the survival of the Commonwealth as an economic partnership depends on having a common economic policy, directed to the advantage of each individual member, and in consultation on problems of mutual interest.

For the third time within this century the grave facts of Anglo-German rivalry—in commerce, industry and political influence—have become a factor of ill omen for the world. It is something more than a trifle that leads Bonn and Paris to complain against the British press, or to the fear that if Britain joins the Six, it will be only in order to destroy the Common Market from within. The Commonwealth countries on their side, however tactful in their public pronouncements, are equally distrustful of British approaches to the Common Market.

Comment

Searchings in Ceylon

MRS. Sirima Bandaranaike's determination to take over the two main newspaper groups in Ceylon, in spite of protests and warnings from Britain, India and other countries, can only be put down to her political innocence. The dangers of such a move are so obvious, and here defence of the decision so lame, that one wonders whether it is not purely for personal reasons that the Prime Minister is acting. The two groups involved, Associated Newspapers and The Times of Ceylon, have been ardent, though not always enlightened, critics of her late husband, and since his death, their criticisms have been levelled at his Freedom party which Mrs. Bandaranaike now leads. During the recent election they criticised her "no-contest" pact with the Communist and Trotskyist parties. But in spite of their attacks on her person and party, she won magnificently, proving thereby that in Ceylon, even if 90 per cent of the press is hostile towards you, and there is no major newspaper to put your case across, you can still win elections.

Mrs. Bandaranaike maintains that overseas critics are uninformed; that the Government does not propose "to take up any part of the share capital in the new corporations so as to acquire a controlling interest and to create thereby a Government monopoly"; that there is nothing to prevent anyone from starting or running a newspaper; and finally, that the take-over would be in the interests of democracy. But surely, even if the Government did not own a single share in the corporations, it must still do something about the problem of control. Secondly, its policy would be unlikely to encourage anyone to start an independent newspaper which, in its turn, could be taken over. The way to end a monopoly of the right-wing press in Ceylon is not to replace it with a state-controlled monopoly, but to launch other newspapers representing fresh points of view.

Not so very long ago the people of Ceylon had a taste of a Government-controlled radio. Fortunately their experience was short lived. It would be a great pity if Mrs. Bandaranaike now, under the guise of democracy, brought about the end of press freedom. If she is acting out of pique, as she appears to be doing, she should remember that her opponents, when they come to power, will use the weapon of press control against her. Ceylonese politics will then acquire a dirty smell. It is surely not for nothing that the Marxist leader, Mr. Philip Gunewardena, who claims to be a politician most vilified by the press, has also opposed the proposed take-over. Mrs. Bandaranaike could do much better by starting her own newspaper, or encouraging the trade unions or cooperatives to do so.

The new Government claims it is following the policies of the late Mr. Bandaranaike, but the latter had never advocated a take-over of the press, or of the schools for that matter. However on the latter question, the Government is on better ground. It has accepted in principle the Buddhist demand to take over all assisted schools, but it has given to the religious minorities the right to run their schools privately, but without state aid. Although the Catholic Church is opposed to this move, it is unlikely to launch a nation-wide campaign against the Government. On the language question, the Prime Minister has behaved commendably. Sinhalese will soon become the official language of the island, but provision is being made for the "reasonable" use of Tamil. She has appointed a Tamil M.P. to look after the interests of the voteless Indian Tamils (not to be confused with the Ceylon Tamils who have been living there for centuries); and she made a good gesture by ensuring that a Tamil translation of the Throne Speech was read after the speech in Sinhalese.

In Parliament the Government's position is now so strong that

it has an excellent chance of providing a stable administration. Mrs. Bandaranaike is not dependent on the support of the Marxist parties, as her husband was, and so she might well be spared the left-right struggle within the cabinet which brought Mr. Bandaranaike more than once on to the verge of destruction. A great deal depends on how she proposes to use her enviable position, and in this connection it will be necessary to watch her closest adviser, who is also her nephew, Mr. Felix Dias Bandaranaike, the new Minister of Finance. An unknown quantity who has rapidly risen to the top, his influence with his aunt might well be crucial for the country.

Ferment in Laos

IN the middle of last month the kingdom of Laos looked as though it were about to undergo a cold-war partition into North and South Laos, as was the case in Korea and Vietnam. If either side decisively wins the current manoeuvres without a bloody struggle and Laos remains whole, the Americans will, according to which side comes out on top, regard this as either a total victory or a total defeat for themselves. After vigorously protesting its innocence, as always, of accusations of cloak-and-dagger diplomacy behind the Right-wing revolt in southern Laos, the US bestirred itself to make obvious to all the accuracy of the accusation. It warned China and North Vietnam not to give military assistance to the legal Government under neutralist Prince Souvanna Phouma in Vientiane, and at the same time itself moved a US naval task force with marines and an aircraft-carrier from Manila and Formosa to the waters near Laos. At the same time also, that most dependable ally of the US, the Thai Government of Marshal Sarit, began to agitate for SEATO intervention against the neutralist and Leftist drift in Laos.

Not all the SEATO powers, however, are convinced that American policy ought to be allowed to succeed in Laos. Britain supports the Vientiane Government and its negotiations with the Leftist Pathet Lao forces in the northern jungles, while also favouring negotiation with the US-backed southern rebels led by Prince Boun Oum and General Phoumi Nosavan. Even American observers admit that China, like Britain, really wants a peaceful Laos poised between the SEATO and Communist areas of South-East Asia. The current policy of the US will not make for peace in the area.

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Wind of Change in UN

KHRUSHCHEV'S journey to the United Nations General Assembly contained in itself a warning that the cold-war barometer was once again pointing to stormy, and that he was going to America to head it off, if possible, with a new type of summitry. But with the developments in the Congo, strictly according to cold-war rules, the larger aims and intentions of the Soviet leader were obscured.

While Khrushchev was sailing towards America's shores, suspicion was widespread that he intended to appear on the world stage only to discomfit and humiliate the Americans. It was thought he would make tempting disarmament proposals which the US, in the throes of the election campaign, would be unable to take up seriously. He would needle the Americans by playing up to the Afro-Asian gallery and paint them as imperialist ogres. Most probably he would also bring up the U-2 incident, asking the UN to condemn the US as an aggressor. All this would be

staged, according to Fleet Street crystal balls, by a prefatory announcement that Russia has sent up a man 60 miles into space and brought him back safely. This story was headlined on both sides of the Atlantic, showing how haunted by Russian spaceman-ship the West has become.

Not till the eve of Khrushchev's landing on American soil did the American administration begin to take a more balanced view of the situation and make some efforts to restrain the Captive Nations Association in New York, whose planned demonstrations against the Soviet and other East European visitors would in the eyes of the world only have succeeded in heaping ridicule on the administration. But this does not mean that the US is ready to recognise the new situation brought about by Khrushchev's visit to the UN. The numerous heads of government attending the present session have, however, raised a new high plateau for debate and negotiation among the states. The very least they will have achieved will be to demonstrate that summit negotiations need not be regarded as super-undertakings requiring endless preparation beforehand.

SOUL-SEARCHING IN INDIA

K. P. GHOSH

A COMMON view in India today is that a critical point in the economic and social transformation of the country is close at hand. The period of the Third Five-Year Plan, 1961-66, must see epoch-making developments in agriculture and the basic industries, in mustering the financial and manpower resources of the nation, and finally in making the people aware of the social objectives of planning.

But at the same time dissatisfaction and despondency are so prevalent in the country that it would be easy to believe nothing short of a revolution could meet the situation. Public opinion in all parts of India is concerned about the inadequate leadership given by the political parties, the manner and means of disseminating information, the want of operational contact between the people and the administration, and the absence of any feeling of unity, purpose or drive in the nation.

Frustration is widespread among the intellectuals and middle classes, the very people best able to express themselves. In its ten years of planning India has made considerable gains in total national income (gains estimated at over 40 per cent), but the salaried employees and the landless peasants have actually suffered a reduction in their real income. Prices have shot up faster than their earnings, and their standard of living has consequently fallen.

In the September debate in the Lok Sabha on the Third Five-Year Plan, Prime Minister Nehru himself raised the question of where the profits have gone, and proposed an official inquiry into the matter. In the Congress Party there is a search for ways of reorganising itself to give a better leadership to the country. A number of MPs in the Rajya Sabha, the Indian Upper House, voiced the common Indian grievance at the State of news dissemination in the country. Indian newspapers and newsagencies do not, they complain, reflect the mood condition of the people, nor do they give adequate and truthful reports about the Nehru Government, about planning or about foreign affairs. Everywhere there is grumbling over inefficiency, corruption, muddle and sloth.

Feeling is also growing in the country that in spite of the national goal of a "Socialist pattern" of society, the administration has allowed the differences between rich and poor to increase. The gaps between the economic classes is widening rather than narrowing. The rich industrial sections behave as though they, and not the Government, were the real arbiters of India's destiny. In the reaction against the increasing wealth of the already wealthy, a consensus of opinion in favour of an egalitarian Socialism seems to be emerging.

The widespread state of dissatisfaction in India can be seen in the general strike threatened by state employees last August, and

in the recurring troubles with university students. It is easy to multiply examples of such disruptive tendencies. Except for the conduct of foreign affairs, Indians are not at all satisfied with their Government. But it needs a deeper understanding to recognise that these attacks on the administration and the conditions created by its policies are in fact a desire for faster changes in the economy and social developments introduced by it. There is also a demand for better leadership from the Central and State governments.

In taking the nation's pulse one thus finds an unmistakable state of fever. The first task before the Government must be to find some way of reassuring the people. Admittedly proper leadership cannot be conjured up at will, but India will have to devise some means to overcome the handicap.

The Congress Party itself has in mind an idea of forming a National Plan Front, jointly with the other parties, as a means of securing the people's participation in the planning efforts. But the situation seems to call for a more pervasive, more intimate leadership, which could perhaps be provided by an independent, authoritative planning staff concerning itself with all questions of public education, propaganda and information, for both short and long-term problems. An independent statutory body could be established to function as an advisory committee to the Government, the Planning Commission, the universities and schools, and the newspapers and other media of information.

It may also be found necessary to establish a special newspaper with the function of national civic education. With all the newspaper proprietors busy sniping at the Government, each with its own particular axe to grind, some way must be found to create a kind of "national forum" while avoiding the methods of the totalitarian states. The Government could provide the initial capital for such a venture, leaving its administration in the hands of an independent trust, which would take its policy advice from the planning information staff.

The Government of India would also find steps to speed the planning drive popular. The experts are of the opinion that the published outline of the Third Five-Year Plan is the optimum for the country's economy. These estimates are based exclusively on cold fact, leaving out of account all appeals to the heart. Yet it is part of the task of the politicians and public leaders to draw the masses into the kind of action that can give dynamic life to the plans devised by the experts. This is the secret that has operated in the sensational successes scored by the Socialist countries. On this point, at any rate, India could safely take a leaf out of the Socialist book, adopting and transforming it in accordance with her own tenets of democracy.

ATOMS OVER JAPAN AGAIN

Nuclearisation by Deceit

JOHN G. ROBERTS

WHEN Nobusuke Kishi, as Prime Minister of Japan, was on a goodwill tour last year, he said that his country would never permit bases for atomic weapons or guided missiles to be established within its territory. But while Kishi peddled peace, his Defence Agency Director announced that he intended to equip the Japanese "Self Defence" forces with missiles, and that a launching base on Hokkaido was under study. He added that Japan will have several squadrons equipped with Nike and Hawk (A-capable) missiles by 1965.

This contradiction typifies Japan's difficulty in building a modern military machine while pretending it is only a toy-car. The Constitution of 1947, a legacy of the American occupation, expressly renounces war and all war potential. Yet the recently-concluded US-Japan Security Treaty, incorporating the so-called "Vandenberg Resolution", requires Japan to develop a military establishment capable of engaging in modern warfare. The Treaty is widely construed as meaning that Japan will have not only missiles but nuclear weapons, too, and there are already many signs of preparation for that eventuality.

Mr. Kishi recognized the reluctance of his people, who alone among nations have suffered atomic slaughter, to invite a repetition of such disaster, or to visit it upon others. He said in 1958: "Sentiment in Japan is against having atomic weapons here. So, at the moment, we are more afraid of atomic weapons than we are of Communism." But as negotiations for the new military alliance advanced, he had to open the door, just a crack. He admitted that "as pure theory", Japan can possess small-size nuclear weapons for self-defence without revising the Constitution.

The Military, however, are too impatient for such pussy-footing. When General Kumao Imoto, training chief of the Japanese ground troops, visited the US in 1958 to study US methods, he blurted: "During the next few years Japan's army divisions will be reformed to include a pentomic division." He spoke of Japan's need for atomic weapons, and explained that his military units were called "self-defence" forces because the Constitution forbids "armed" forces. Like many of his colleagues, Imoto served on the Imperial General Staff during World War II, and was injured at Hiroshima when the first bomb dropped.

If General Imoto wants revenge, he may get it, since the plans he envisions are being advanced rapidly, in secrecy or by trickery. The Defence Agency first approved "conventional missiles" to which nuclear warheads "could not be fitted". Then they opened the way for A-capable missiles, if no nuclear warheads were actually installed. Such weapons as the Hawk, usable with either atomic or non-atomic explosives, were designated "dual-purpose" missiles. Then the "dual-purpose" missile, since it had no nuclear warhead, was classified as "conventional". So that now the armed forces can be trained in the use of conventional weapons, which at a moment's notice, can be nuclear-tipped.

With American financial and technical assistance, the missile programme is advancing apace. In accordance with

the five-year defence build-up announced last year, all three of the "Self Defence Forces" are to be completely equipped with guided missiles by 1965. A shipment of Sidewinders was brought in last November through the Tachikawa base of the US Air Force, secretly so as to avoid hostile demonstrations by labour unions. Ninety more were scheduled to arrive early this year, as standard equipment for the Lockheed F104C fighters being manufactured by Mitsubishi. Later, 42 Tartar missiles were ordered, for arming a new naval vessel. Acceleration of the programme is indicated by the report that four Bomarc missile units may be ready by the end of fiscal 1960. The Bomarc carries atomic warheads.

The pentomic reorganisation of the army is said to have been undertaken already, and a rocket training centre has been established in Chiba Prefecture. A group of 250 officers and men from this centre were to be sent to the US for training in the use of Nike Ajax missiles. Against strong protests of the inhabitants, a testing site was established on Niijima Island, and other testing grounds, similarly opposed by the local people, are in operation. Missile preparations on the northern island of Hokkaido are said to be intensive.

Japanese technologists have experimented with a number of US and foreign missiles, and presumably know how to make them. They have also developed and tested some of their own. All of the big industrial combines are engaged in missile research and have formed themselves into four major groups, each specializing in certain types and pooling their resources.

Most of this activity involves non-nuclear missiles. However, the experience gained thereby would not be less valuable in the event nuclear explosives became available. And, as *Asahi Evening News* points out, "The Defence Agency has gradually come to think the introduction of missiles will sooner or later be bound up with atomic weapons."

How soon could Japan become an independent A-armed power? The Director of Japan's Atomic Energy Institute, Dr. Ryokichi Sagane, said that Japan will be the first Asian country to enter the stage of practical nuclear industrialisation. Dr. Glenn Seaborg, nuclear scientist and Chancellor of the University of California, declared that Britain and Japan are leading the US and the Soviet Union in this field. The National Planning Association reported early this year that a dozen nations, including Japan and West Germany, were capable of embarking on nuclear weapons programmes in the near future.

All of the big Japanese corporations, including the *zaibatsu* who equipped the Imperial Armed Forces, are engaged in a scramble for primacy in the atomic energy industry. As in the missile programme, they have formed groups, pooling funds and technology. Their progress is hastened by the fact that all of them have financial or technical tieups with big US corporations who are experienced in the field. Most important are General Electric, Westinghouse and Western Electric, all of whom have been in partnership with the *zaibatsu* for several decades; but many other US firms with Japan affiliations or branches are ready to cash in on the

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rocketry boom.

A number of smaller reactors are in operation or under construction, but only two, not yet installed, are of industrial importance. Both were produced by General Electric, one in Britain and the other in the US. There has been controversy among scientists over these reactors, and a strong resistance to their installation. One feature which bothers atom-shy Japanese is the fact that the British reactor produces plutonium, the nuclear explosive which destroyed Nagasaki. Indeed, it is reported that such reactors, now in operation in Britain at Calder Hall and Chapel Cross, were designed to produce plutonium for military purposes, and that electric power is generated only as a by-product, in disregard of commercial considerations.

The problem is, what to do with plutonium in a country forbidden the possession of any war potential? In view of Japan's veiled plans for nuclear armament, and the fact that the atomic energy programme is in the hands of those industrialists who not only plan to produce missiles but among whom are many who helped to launch Japan's imperialist war, is ominous. Nor is there comfort in the fact that Prime Minister Hayato Ikeda, elected with the financial support of these same industrialists, was a chief architect of Japan's rearmament and its inclusion in the US cold war alliance. Pledged by the Security Treaty to go to war on the side of the US in case of attack on the latter's bases in the Far East, Ikeda is not likely to balk at attaching some surplus plutonium to the nose of a waiting Hawk missile, should the necessity arise.

But while Japan's imminent possession of plutonium causes misgivings, it is unlikely that the material will be needed, since it is the firm policy of the United States to share nuclear weapons with willing allies. From the Security Treaty and other indications, it is evident that Washington is pressing Japan to accept such weapons, at least in principle. One indication was a 1958 report of the Draper Committee, which approved a sharp reduction in military aid to Japan "subject to revision if Japan decided to increase its armed strength or changed its position toward nuclear weapons such as bombardment missiles". Instead of a cut, incidentally, there was an increase in military aid, which totalled \$106 million in 1959.

One of the big selling points of the Treaty was that it would give Japan a veto over the importation of atomic weapons. Kishi and Foreign Minister Fujiyama belaboured this argument *ad absurdum*, and they were given cautious support by Eisenhower. Nevertheless, the Treaty gives Japan no such right, but only that of "consulting" with the Americans in case a question arises.

Since American bases in Japan are subject to no inspection, the only guarantee against nuclear weapons is the celebrated American integrity. However, the American military in Japan have stooped to deceit on numerous occasions. They were less than candid about the U-2 planes stationed here secretly, and have been similarly shifty about the RB-47s. They introduced Sidewinders by stealth, and when they airlifted arms to Laos from Japan, they were caught lying about it. Similarly, when Deputy Undersecretary of Defence Charles H. Shuff revealed quite clearly that Japan was to make parts for the Hawk, the Defence Department denied it.

In the face of frequent denials that nuclear weapons have been or will be brought into the country, it is well-known that the US Seventh Fleet is nuclear-armed and that its vessels enter naval bases in Japan without "prior consultation". And on the basis of unofficial but presumably reliable information, one is forced to conclude that, in an emergency, nuclear weapons would be immediately available at Atsugi Air Base, near the Yokosuka Naval Base, from which US planes made routine reconnaissance flights over China, according to the same source.

It was because of wartime secrecy that a few men, acting from motives still unclear, were empowered to make the tragic decision by which Hiroshima and Nagasaki became symbols of human savagery. This is not wartime, yet a few men, acting secretly, are taking upon themselves the anti-democratic decision to arm a people who are dedicated to peace, and to expose them to nuclear extermination. The Japanese, awakened to the danger, are shouting "No!" in an ever-louder voice. One could wish that more people would try to understand what the shouting is about.

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CEYLON PRESS THREATENED

VICTOR KARUNARATNE

THE Government of Ceylon has announced its intention to introduce legislation enabling it to take over the newspapers controlled by the Associated Newspapers of Ceylon Ltd. (papers include *Daily News*, *Dinamina*, *Ceylon Observer*, *Janatha*, *Sunday Observer* and *Silumina*) and the Times of Ceylon Ltd. (papers include *Times of Ceylon*, *Lankadeepa*, *Sunday Times* and *Sunday Lankadeepa*) and to vest such newspapers in statutory public corporations with unlimited share capital in which individual holdings will be restricted so as to ensure a broadbased ownership. Despite the sugar-coating contained in the use of such phrases as "this legislation will ensure the democratic character of newspapers in this country", it means, in effect, that the Government will take over the daily newspapers and control their future management.

This is even more evident from the Government's expressed intention to sell an unlimited number of shares with restricted individual holdings. Shares held by individual members of the public will be so small and share-holders will be so many that they will look on this merely as an investment, leaving the Government a free hand to control the news, views and policies of the newspapers to its own political advantage. In effect the Press would have been nationalised and as effectively under a State Control as if it were run as a Government department. In place of what has been termed the "unhealthy

monopolies" of a business nature that exist today, there will be a political monopoly exercised by the party in control of the Government.

It is well known how "independent" existing state-licensed corporations are today. Every corporation has to work within the framework of government policy. If directors and members of their boards are dismissed for not toeing the government line, what would be the fate of the newspapers' corporation if it dares to criticise either individual policies of ministers or the governments' record as a whole? Or even if it factually presents news which is unpalatable to the government in power? The distortions and half truths which the press was forced to publish when the Government Press Censorship operated, the blatant propaganda which passes for news in the government news sheet *Sri Lanka* are only a pointer to what can happen when the press is nationalised. Newspapers would then become the mere mouthpieces of the Government in power and contrary viewpoints would be suppressed.

It cannot be asserted too often that the freedom of the press is not the privilege of newspapers but a fundamental liberty of the subject. Without a free press, independent of all government control, there can be no democracy. There can be no freedom of speech and thought for the citizen when he is not given the opportunity of knowing what is happening around him, of having access to viewpoints other than those of the government in power and of expressing his own views through the forum a free press provides. Universal franchise and the right of free elections have no meaning if parties opposed to the government can get their views over only with the consent of the Government in control of that State-Licensed Press and in a manner approved by it.

It was no accident, therefore, that the first indication of every totalitarian trend in recent times has been an attempt to control the press. For such a move strikes at the very fundamentals of the democratic way of life and, by stifling all other view-points, enables a Government to maintain itself in power in perpetuity.

Newspapers, in the period which preceded the election of the government, no doubt, expressed views that the present government disapproved of. But if this expression of views unpalatable to the governing party results in the government taking control over the daily press, then freedom of expression would no longer exist in Ceylon. Thereafter there is nothing to prevent the Government from seeking to silence all political parties and individuals who think differently from it.

Similar attempts to control the press have been made in other democratic countries. But always wiser statesmanship has prevailed in the end, for it was realised that freedom was indivisible, that if the freedom of the press was violated today, it would be the turn of the individual citizen next. For the press enjoys the freedom of speech, the freedom to criticise and the freedom to disagree.

If the government persists in carrying through this proposal, what will be suppressed is not merely a free press, but, in course of time, the viewpoints of all those who think different from the government—be they political parties or individual citizens. And democracy itself will eventually perish in Ceylon.

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Britain's Responsibility in Vietnam

EDGAR P. YOUNG

CURRENT developments in the Kingdom of Laos, with their obvious threat of international repercussions, invite attention to the situation "next door", in Vietnam, which last month celebrated its 15th anniversary as an independent Democratic Republic.

A recent statement by the Soviet Foreign Ministry was a reminder that that independence was challenged for a while by France, and that war was formally ended by a series of agreements concluded at an international conference held in Geneva in the summer of 1954. Prime responsibility for the observance of these agreements rests jointly on the UK and the USSR as the Co-Chairmen of that Conference, and it is in this connection that the Soviet Government has just addressed itself—not for the first time—to the British Government.

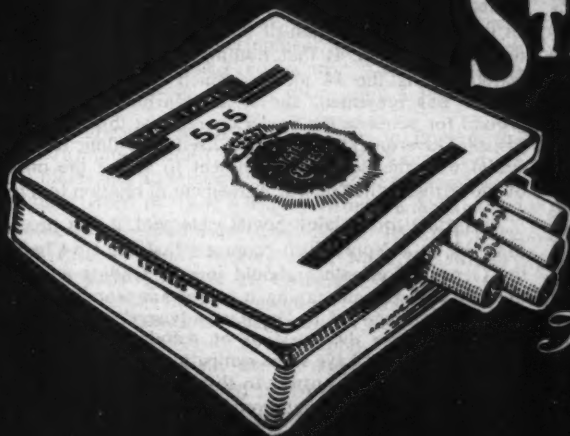
Serious misunderstanding is widely prevalent in relation to the subsequent situation owing to the existence of a North and a South Vietnam. This leads to the supposition that the existence of two States, in each of which some Great Power has specified responsibilities and rights, has been agreed upon, as was the case, for instance, in Korea after the surrender of

Japan. It would be useful, therefore, to refer back to the Geneva Agreements of 1954 and note that, though it was deemed convenient, for purposes of disengagement of the armed forces which had been fighting each other, to establish a line (at the 17th parallel) to the North and South of which each of these should be withdrawn, it was specifically stated that:

"The military demarcation line is provisional and should in no way be interpreted as constituting a political or territorial boundary . . . each member of the Geneva Conference undertakes to respect the sovereignty, the independence, the unity and the territorial integrity of Cambodia, Laos and Vietnam."

In amplification of the foregoing, it was stipulated that: "General elections shall be held in July 1956 under the supervision of an international commission . . . consultations will be held on this subject between the competent representatives of the two zones from July 20, 1955, onwards."

As part of the policy of removing former French Indo-China from the field of international rivalry, and its "neutralisation", the introduction into Vietnam of foreign troops and military personnel as well as of all kinds of arms and munitions was prohibited. So was also the establishment



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of any military base under the control of a foreign State, or of any new military bases, and the use of either zone "for the resumption of hostilities or to further an aggressive policy".

International Commissions for Supervision and Control, composed of representatives of India, Canada, and Poland, under the chairmanship of the Indian member, were established to control the execution of the terms of the Geneva Agreements in Cambodia, Laos and Vietnam respectively, and it was specifically agreed that members of the Geneva Conference would:

"Consult one another on any question which may be referred to them by the International Supervisory Commissions, in order to study such measures as may prove necessary to ensure that the agreements are respected."

The United States would not participate in the Geneva Conference, because China was there, but was represented by an observer, Mr. Bedell Smith, who, speaking for his Government at the final plenary session, "took note of" the agreements, accepted unanimously by the representatives of Britain, China, France, the USSR, Cambodia, Laos and Vietnam and declared that his country "will refrain from the threat or the use of force to disturb them".

Space does not permit to describe here in detail what has actually happened in Vietnam during the six years which have elapsed since Mr. Eden (as he then was) signed the Geneva Agreements on behalf of Great Britain. However, the fact is that Vietnam *still* remains divided at the 17th parallel, which has become the most impervious 'frontier' in the world. There is *still* in existence, South of that line, the Republic of Vietnam, the Government of which, though notoriously quite unrepresentative of the people even of South Vietnam, is formally recognised by Britain. This is in patent breach of the terms of the Geneva Agreements as quoted earlier. North of that line, Vietnam is *still* ruled by the Government of the Democratic Republic of Vietnam, which won the War of Liberation against the French and with which Britain joined in concluding the Geneva Agreements, but which the British Government refuses to recognise, on the extraordinary ground (White Paper Cmd. 9673), that "the policy of Her Majesty's Government is to recognise, in accordance with their obligations under Article 12 of the Final Declaration of the Geneva Conference, the Government of the Republic of Vietnam as the only legal Government of Vietnam". In pursuance of that policy, the UK Government—somewhat inconsistently, it would seem—supports the Government of the Republic of Vietnam in declaring itself not bound by the Geneva Agreements, *because it was not a signatory to them*. Britain has categorically refused to take action, as proposed by the Soviet Government on March 30, 1956, to make South Vietnam start discussing with the Government of the Democratic Republic of Vietnam the holding of nationwide, free, general elections "under the supervision of the International Supervisory Commission" for the re-unification of a country whose "unity", it will be recalled, Britain pledged herself to respect.

So much for the "negative" aspect of the situation. The "positive" side is even more deplorable. Analysis of the ten Interim Reports of the International Commission for Supervision and Control in Vietnam, the most recent of which, covering the period ended January 31, 1960, was published in June. It establishes the fact that there are now actively functioning in South Vietnam the following American military organisations: MAAG—Military Aid Advisory Group, started in 1950; TRIM—Training Reorganisation Inspection Mission,

started in March 1955; CATO—Combat Arms Training Organisation, started in May 1956; TERM—Temporary Equipment Recovery Mission, started in May 1956.

The last-named is described (by the South Vietnamese) as being there *temporarily* "to catalogue US war material for eventual re-export from South Vietnam", which might, of course, be to Laos, or to Cambodia (as has been repeatedly complained by the Cambodian Government). The presence of the first-named is claimed (by the South Vietnamese) to be "legitimate", because it was established there prior to the conclusion of the Geneva Agreements, i.e. during the war which they brought formally to an end! About the other two organisations, the South Vietnamese have refused to answer questions put to them by the International Commission. Nor have they been able to give any satisfactory explanation to that Commission regarding its finding that during the period January 7, 1956, to December 28, 1957, "2,002 American military personnel arrived in South Vietnam and 1,243 left this country, and thus the arrivals exceeded the departures by 759 persons", in relation to which they were formally found guilty, at last, of violation of Article 16 of the Geneva Agreement. I write "at last" because the International Commission has protested repeatedly in its Reports that it is not being allowed by the South Vietnamese authorities to investigate suspected breaches of the Geneva Agreement in respect of the introduction of military personnel and material, or of the establishment of bases under foreign control. It would be appropriate to add here that it laid no similar charge against the authorities in North Vietnam, where it had investigated a number of counter-allegations made by the South Vietnamese, such as the much-publicised charge that the Czechoslovak ship *Lidice* had carried arms to the Democratic Republic of Vietnam, and had decided that they were baseless.

It is not surprising, in the circumstances, to find in the Ninth Report of the International Commission (Cmd. 726) an urgent appeal to the Co-Chairmen of the Geneva Conference to take steps to secure compliance with the terms of the agreements concluded there, since otherwise it saw "the prospect of an indefinite continuation of itself and its activities." What is surprising, though, is that nothing has been done about the matter during the 18 months which have passed since that Report was presented, and it is disturbing to find apparent ground for belief in the Soviet charge that this is because "the British Government has shown itself unwilling to take joint action with the Soviet Government to secure the observance of the terms of the Geneva Agreement in relation to Vietnam".

According to the latest Soviet statement, it was preceded on May 30 by a Note which proposed that the Co-Chairmen of the Geneva Conference should join in sending a message to the US Government urging it to refrain from increasing the numerical strength of its "military advisers" in South Vietnam and to examine the question of withdrawing those already there. One might have some sympathy with the Foreign Office in its plea, made in answer to this publicity, that "the British Government prefers that communications between the Co-Chairmen should remain confidential", if it had not given the show away by saying, at the same time, that the matter "had already been referred to the International Commission", since "the investigation of such complaints was one of the purposes for which that Commission was set up". Such "passing the buck", in the circumstances as described earlier in this article, quite apart from constituting an insult to the Soviet Government, is also very dangerous.

*The Coastline of Jesselton*

NORTH BORNEO TODAY

GORDON WELLS

WHEN the Allies returned to North Borneo in 1945, they found a country perhaps more devastated for its size than any other in the Far East. Before the war, under the British North Borneo Chartered Company, there had been slow but steady development and small townships had been established all round the country. The Allied forces landed at these towns—in each of them, only a few houses were left standing.

The northernmost of the British territories in Borneo, the 29,000 square miles of the Colony of North Borneo consists of coastal plains and an interior of dense, little-explored forest, all overlooked from its 13,455 feet by Mount Kinabalu, the highest mountain in South-East Asia. North Borneo became the newest British Colony in July 1946, when the Military administration handed over to the Colonial Office.

The Colony's multi-racial population of around half a million consists of Dusuns, Bajaus, Muruts, Chinese and other small groups of people—all living happily together. The Dusuns, a Malay-type people, are the agriculturalists of the country. A solid, hard-working peasant class, they produce nearly all the country's rice crop. The Bajaus, the next biggest North Borneo tribe, are the descendants of the pirates who, spreading out from Borneo, infested the South China Sea less than two centuries ago. Now, a pleasant, friendly people of Muslim faith, they are perfectly peaceful, but yet retain the jaunty self-confidence that one would expect from the sons of pirate forebears. Most of them work around the coast as fishermen but a group has left the sea and ships and has settled inland at the town of Kota Belud, 50 miles from Jesselton. There they have successfully taken up cattle ranch-

ing and are certainly the finest horsemen in North Borneo. A ceremonial mounted escort of Bajau horsemen is one of the most inspiring sights in the country. The Muruts, at one time the headhunters of North Borneo, are a dying race. They live chiefly in the less accessible interior in longhouses, dress in little more than a loincloth and have a marked affinity for alcohol. The Chinese are the shopkeepers and merchants, and to a large extent they control the business of the Colony. One of the major economic problems of the country is the labour shortage, for with its only half million people in 29,000 square miles, North Borneo has almost the lowest density of population in Asia. Ways and means of increasing the population by immigration, while yet retaining the peaceful friendly atmosphere of the country, are forever being explored. It is possible, that this shortage of population is the only thing holding back the development and growth of North Borneo.

Over the years, North Borneo has undergone many changes of government since it formed part of the domains of the Sultans of Brunei and Sulu. The Sultans were wont to "farm out" the rights to govern large parts of their territories and often this was seized upon by hard-headed businessmen from neighbouring countries. Before the days of the North Borneo Chartered Company, an ill-fated attempt was made by an American company, to colonise part of what is now North Borneo, using land grants from the Sultan of Brunei. The "American Trading Company", however, was largely unsuccessful and eventually gave way to the British Chartered Company in 1881. The Chartered Company, under the advice and control of a Governor appointed by Britain, administered the country well and wisely, winning the allegiance of the people. Little upset the peaceful backwater of North Borneo until 1942. Then came the war, and the Japanese "Co-prosperity" government. After that, an Allied military administration, which soon gave way to the civil authorities and the new colony was born. From then on, until 1960, North Borneo was administered by an appointed Governor advised by an Executive Council and a Legislative Council, both with a majority of Government officials. During 1960 this has been changed. Both the Executive and Legislative Councils now have a majority of unofficial members.

From 1946 onwards, the Government of the Colony has pushed North Borneo ahead on the path of progress. From

the ruins of Jesselton, multi-storey blocks of concrete shop-houses have risen. Following a far-sighted town plan, the blocks of shops have been built on each side of broad double-carriageway streets, with flowering trees lining the grass islands down the centre.

Jesselton, the capital, is expanding at such a rate that large areas of land are having to be reclaimed from the sea to accommodate the increasing number of shops. In fact, the population of Jesselton has just about doubled over the last nine years.

Sandakan, on the East coast, is also pushing ahead rapidly. Sandakan has very close ties with China, for it was to the East coast that in the 14th century, Chinese settlers first came to Borneo from the mainland of China. Sandakan is the most important port in the country—hardly a day goes by without two or three ocean-going ships lying at anchor in the large harbour, waiting to be loaded with timber for the markets of the world.

In the furthest South-East corner of the Colony, at the bustling border town of Tawau, the Colonial Development Corporation, under the title of Borneo Abaca Ltd., operates one of the largest estates in the world—part is devoted to the production of hemp and part to rubber. Nearby, much rich agricultural land has recently been opened up for cocoa plantations. Another major importance of Tawau in the economic life of the Colony is its trade in copra. The copra comes partly from the many large coconut estates around Tawau, but also, in some sizeable measure, from the Barter Trade. Natives from the surrounding islands bring boat-loads of copra and other local produce into Tawau, where they exchange it for such desirable consumer goods as

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bicycles, sewing machines or American cigarettes. The copra is then later re-exported.

Notwithstanding Tawau's hemp and copra, the major exports of North Borneo are rubber and timber—until recently in that order of importance. Of recent years, the timber industry has caught up with the longer-established rubber trade and now each accounts for around 25 per cent of the country's exports. More and more, Japan is becoming the destination of these exports. For several years, Japan has taken the lion's share of the exported timber but more recently the same situation is becoming apparent in other commodities.

The great majority of the timber exported from North Borneo is produced on the Eastern side of the Colony and is exported through the busy harbour of Sandakan. Balancing this, nearly all of the rubber is grown on the West coast and is exported through Jesselton. Little timber is grown in the West and little rubber in the East.

To balance the exports, North Borneo finds much to import, yet still keeps a very favourable balance of trade. The trade figures have shot up phenomenally from war's end. In 1947 for instance, the external trade figures were a mere 4½ million pounds, while the same figures ten years later were approximately 30 million. Somewhat naturally, the United Kingdom is the major source of the imports of North Borneo, but surprisingly the USA is a not too distant third!

Not only is North Borneo developing and growing, but the interest of other countries in North Borneo is growing apace. Ten years ago, a Dakota of Malayan Airways once or twice a week could cope with the Singapore-Borneo traffic. The service now requires an almost daily Viscount, supplemented by 16-seater Pioneers or Borneo Airways' internal routes, to carry the ever-increasing number of passengers. More and more shipping lines are now providing a direct service, without costly transshipment, from both Europe and Australia to North Borneo ports. The world is beating a path to the door of the new colony and the days of one ship a week and two planes a week from Singapore have gone for ever.

Slowly, the economy of North Borneo is being further built up. Every day there are both confirmed and unconfirmed rumours of more big firms opening up in the country. As yet, the resources of the country are virtually untapped, although an oil company from the neighbouring state of Brunei is continually investigating possible sources of oil. The omni-present Japanese, who owned large business interests in North Borneo in the 1930's, are now returning—to start fishing on a commercial scale and other sizeable enterprises.

Most of the large business firms of Malaya and Singapore recognise the Borneo territories in general and North Borneo in particular, as a latent market for the future. Many already have branches scattered around the Colony. Self-service shops are blossoming out, luxury goods are on sale everywhere, and every day two more new cars are licensed. North Borneo is booming. Who can tell how much more it will grow?

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A NIGHT IN A LONG-HOUSE IN BORNEO

W. H. TOZER

AS our Dyak (canoe) turned the river-bend we noticed on the jungle bank a little man, spear in hand, long hair and a red waist cloth as only garment. He hailed us in Malay to give him a lift.

We were on our way to visit a Borneo tribe called "Tagal", who a few years ago decided to leave the high fertile plateau on the Indonesian border and come nearer the coast for easier communications. Nearly all travel in Borneo is done by river, rivers which become fewer and narrower as they wind their way inland.

I had joined the District Officer's party on one of their administrative rounds. It was a great occasion, as the D.O. made the 100-mile journey inland only once a year.

The Tagal long-house was raised high off the ground on stilts and made of wood and nipah palm. The whole village of about 200 people were housed here, the interior being divided into separate rooms for each family, with a large public verandah about 100 yards long running the full length of the house. Built close to a swirling river where crocodile-infested rapids rushed over boulders and stones, the long-house faced the dense green, brown trees and mangrove roots of the jungle.

We pulled into the side and jammed the prahu between two boulders, scrambled up the muddy bank and shook hands with the head-man of the house. We then climbed into the long-house up a wooden ladder, made out of a log with carved niches as steps, and lifted in at night to prevent pigs, dogs and other animals from clambering up.

We made our way along a dark narrow passage to the public verandah where a man was sounding a gong calling the people from the rice fields to come and greet the District Officer. In the long-house preparations for cooking gluey-rice and fish (caught with spears from the river) began.

The women in the now fading light, were wading neck-deep across the river, carrying their baskets of paddy above their heads. A number of little dogs gathered on the opposite bank and howled and wailed, realizing the danger of swimming across the surging rapids.

The women entered the long-house with their loads of paddy. Here, every evening, it was pounded by two small girls and then stored in skin drums.

The girls were all under five feet tall and had soft rounded features, light-brown complexions and straight black hair worn long or coiled into a loose bun. They wore yellow, black, red and green rows of tiny bead necklaces round their foreheads and necks. A fitted cotton blouse with long sleeves and secured in front with a gold pin, was worn over a sarong, woven into exotic tropical prints with large flowers, butterflies or birds of red, mauve, green, blue or yellow over a background of pink, brown or white. Their feet were bare except for rows of beads worn around the ankles.

I entered an inner room and sat with some women on ratan mats, finely woven into a delicate black and cream design. A wood fire was lit in the centre of the room, the smoke finding its way out as best possible. Little mangy dogs sat around it. The children were naked except for bangles which were made

from tin and worn around the ankles. They were very dirty from grovelling about on the unwashed ratan floor; some were eating rice or vegetables mostly of a leaf variety which were boiled and made into a watery soup. They ate from tin plates or out of banana leaves with their hands. The rubbish was thrown or poured through the slits in the bamboo floor and often fell on to the cattle, pigs, chickens and dogs which were in the filth and mud under the house hopefully waiting for food.

The Tagals collect water for all their domestic use from the river. They fill long bamboo poles and store them in the house refilling them every night and again in the morning.

The District Officer had retired to the main verandah where he was holding discourse with the head of the village, an old much-wrinkled wise-looking man, his thinning hair falling to his shoulders. They were sitting cross-legged on ratan mats, the D.O., over six feet tall, towering above the Tagals, mostly about 4 feet 6 inches in height.

It was now nearly dark except for a glow from the fire and a tiny oil lamp. Supper consisting of fish, an almost raw egg and rice with a few green stalk vegetables was placed on the floor in front of us in tin plates and Chinese bowls. Mosquitoes and sand-flies were biting furiously by now and felt like a thousand needles pricking.

The Tagals have a unique form of entertainment which they perform on every festive occasion. It consists of bouncing up and down on a 14-foot-square wooden dancing platform, which is built inside the long-house two or three feet below the floor level and is sprung on tree trunks in such a way that when you jump on it, the floor bounces up and down. So, after supper people began to crowd on to the verandah and squatted or sat on the floor; then the bouncing began.

I joined hands with the women, who made an outer circle while the men crowded into the centre. As we bounced, we moved slowly around making a complete circle about every five minutes. Children, dogs and babies also managed to squeeze their way on. Strange figures shaped into legendary human forms and carved out of wood and painted red, yellow and black were hanging from the rafters. The idea was to bounce high enough (about 12 feet) to reach the figures and pull them down. The floor pounding on the log supports sounded like distant drums—sometimes as many as 70 people were bouncing at the same time—with the weight of the floor it was a wonder the wooden house did not collapse!

The women sang weird songs, which usually had a lyrical tune related to their legendary past or they made up a verse in honour to the District Officer's visit. It went something as follows:

"The D.O. has come."

"He has honoured us with his visit."

"We wait all the year for the D.O. to come."

Each line repeated 20 or 30 times.

After bouncing for two or three hours, I jumped off the

(continued on page 24)

ASIAN SURVEY

THE LAOTIAN REVOLT

From a Special Correspondent

THE military coup in Laos carried out by the 27-year-old Capt. Kong Lae and his Second Parachute Division on August 9, came as a complete surprise for it was generally believed that the pro-Western Government of Mr. Tiao Somsanith had the Army solidly behind it. Although the majority of the Army was no doubt in support of the Government, the revolutionary group was quick to receive wide public support with the result that it was able to achieve its aims effectively. Within a week of the coup Mr. Somsanith's Government resigned and was replaced by an eight-man Cabinet under the Premiership of Prince Souvanna Phouma.

It appears that there were three causes for the coup. The first accuses the anti-Communist Committee for the Defence of the National Interests of rigging the elections last April and putting military pressure on the voters, which enabled the pro-Western groups to obtain a unanimous victory. Secondly, there was popular discontent against corruption and the mishandling of American aid. Moreover, the Second Parachute Battalion claimed that negotiations with the Communist Pathet Lao were necessary if further bloodshed inside Laos was to be avoided.

Although it is claimed that the coup was not inspired by the Communists, it cannot be overlooked that the political unrest which has been accumulated in Laos since a Pathet Lao-Vietminh force invaded the two northern provinces of Phong Saly and Sam Neua in December 1952 has been caused by the Communists' attempts to capture power. Fighting between the Laotian Government and this force continued until the Geneva Agreements were signed on July 21, 1954. These agreements provided for the return of the two provinces to the authority of the Laotian Government and the integration of Pathet Lao members into the national community, and fresh troops and arms were only to be introduced as replacements. Moreover, the Laotian Government affirmed that it would not participate in military alliances, nor would ask for foreign military aid, apart from the French nucleus of officers and non-commissioned officers to train the Royal Laotian Army.

Despite the Agreements fighting continued in the Phong Saly and Sam Neua provinces and talks between Prince Souphanouvong, the leader of the Pathet Lao, and Katay Sasorith, the then Prime Minister, broke down. It was not until after the elections of December 1955 in the territory

under the Laotian Government's control after which Prince Souvanna Phouma became Prime Minister that any attempt was made to negotiate with the Pathet Lao. Talks were resumed in August 1956 and a number of agreements were concluded. But the National Assembly disliked a compromise with the Pathet Lao so that talks were suspended and the Government was defeated in May 1957. Souvanna Phouma succeeded in forming a new Government in August 1957, which won a vote of confidence. This resulted in an agreement being reached between the Government and the Pathet Lao in November 1957.

Under the agreement the two provinces were returned to the Laotian Government, which was to follow a foreign policy of strict neutrality. A National Union Government under Souvanna Phouma was to include Souphanouvong and Phoumy Vong Vichit, of the Pathet Lao, as Ministers of Planning and of Religion and Fine Arts. The military agreements provided for the integration of 1,500 Pathet Lao troops into the Royal Laotian Army and the demobilisation of the rest. Pathet Lao was also legally constituted as a political party, and intensified its political activity throughout the country.

General elections for the National Assembly were held on May 4, 1958, when the Pathet Lao won nine out of 21 seats while the Communist backed 'Peace and Neutrality Committee' won four. This gave 13 Communist supporters in a House of 59 members. This high proportion of Communists caused some alarm as their success covered the whole country. It caused the two Government parties, the Nationalists and the Independents, to unite on June 13, 1958, to form the Laotian People's Rally, while an outside right-wing body composed of young civil servants and army officers formed the Committee for the Defence of National Interests. On July 22, Souvanna Phouma resigned to form a new Government without the Pathet Lao, but the above Committee demanded eight seats in the Cabinet of 14. As he was unable to get a compromise, he officially resigned and Phoui Sananikone was made Prime Minister towards the end of the month. The new Government was approved by 29 votes to 21 in the National Assembly.

Nevertheless, political unrest continued in the country, and on January 14, 1959, the National Assembly granted Phoui power to recognise his Cabinet, into which he introduced three

A NIGHT IN A LONG-HOUSE IN BORNEO

(Continued from page 23)

floor and lay down exhausted. However, the Tagals appeared as though the night had just begun, although it was by now well past midnight. Fortified by drink and refreshments in the way of rice-wine or gluey rice wrapped in banana leaves, the D.O. bravely kept going all night and entertained them

with some Western singing, which brought loud roars of approval.

At daylight we were given cold fish with rice and a half-cooked egg for breakfast, and we soon recovered after a bathe in the refreshing icy-cold river water. Setting off in the prahu in the early morning sun, we saw every member of the long-house gathered on the river bank—they sang in unison bidding us farewell on our long journey to the coast.

Army officers, and to rule for a year as a dictator as party politics were obstructing the introduction of economic and social reforms. It was also proposed to postpone the elections due for December 1959 for six months in order to counteract Communist propaganda. Evidently this was achieved sooner than expected for the elections were held in April of this year. There is no doubt that the revolutionary group has some justification for claiming that the Committee for the Defence of National Interests fixed the elections so that only pro-Western parties could win.

Although Capt. Kong Lae is not a Communist, it is obvious that the Communists had succeeded in winning his sympathies, for without their full support the coup would have probably failed.

At present the new Government is free from any Communist element, but whether it remains so is yet an unanswerable question. Its idea of following a neutral foreign policy is to eliminate American influence in Laos and to have closer contact with Russia and China from whom it is prepared to accept economic aid. It intends to apply the five principles of peaceful coexistence, which will undoubtedly improve its relationship with its Communist neighbours.

Whether the regime will be able to continue to hold power depends not only on public support, but also on the reaction of the Communist inside Laos itself. Its first and foremost task is to reach a settlement with the 7,000 Communist guerrillas said to be operating outside the towns. Continued fighting between Government forces and these troops will not improve the regime's position.

In the international field, the coup has been a setback not only to American prestige in the Far East, but has in fact strengthened the Communist position in South-East Asia. Laos occupies an important strategic position for she borders the two Communist States of China and North Vietnam, the two neutral States of Burma and Cambodia, and the two anti-Communist States of Siam and South Vietnam. For this reason the Communists are anxious to have control of Laos for they could then cut off the whole northern part of Indo-China, which would place them in a stronger position to penetrate the neighbouring non-Communist States.

Singapore

Red Shadows

From our Singapore Correspondent

Since 1924, when the Chinese Communists first sent agents to Malaya, the Malayan Communist Party (or Nanyang Communist Party, as it used to be called in those early days) has always been a force to reckon with. It has had its ups-and-downs, including the serious blow struck by the Singapore Police Special Branch in 1931, when they arrested Serge Lefranc, a Frenchman sent to Malaya by the Communist Far Eastern Bureau in Shanghai, to reorganise the Party, but it has always managed to survive. Lefranc proudly boasted that there were already 15,000 members of the Party, 10,000 Communist Labour Unionists, 50 women supporters, and 200 others in the Anti-Imperialist League, and that no matter what happened to him (eventually he was sentenced to 18 months' jail), the Party would go from strength to strength. Time has proved his prediction to be correct. While it is not possible,

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without having access to the top secret records of the Singapore Police Special Branch, to give a reliable estimate of the total following the Malayan Communist Party now has in Singapore, it is clearly many, many times larger than the figures given 29 years ago by Lefranc for the whole of Malaya.

When the British were in control of Singapore's internal affairs, they had their troubles with the Communists which culminated in the declaration of a state of emergency in 1948. When this control passed to the hands of a popularly-elected Government, it was expected in some quarters that the Communists would change their tune. The argument was that every shot they fired against the British and their Asian "running dogs", was a blow against colonial imperialism, whereas every shot they fired against a popularly-elected local Government, was a blow against an independent Asian state that had already made it quite clear whose side it was on in the Pan-Asian struggle against western domination. This comforting argument has now been proved fallacious by no less an authority than Mr. Lee Kuan Yew, Singapore's Prime Minister, when he wound up a seven-day debate on his motion of thanks to Singapore's Head of State for delivering the PAP (People's Action Party) Government's policy speech at the opening of the Legislative Assembly.

Two important points emerged from Mr. Lee's fascinating speech. The first was that the PAP Government believes that 1960 (its second year of office) will be decisive, and that it will stand or fall on its record of achievement during this year, despite the fact that it will still have another three years to go before its five-year tenure of office is due to come to an end. Mr. Lee did not explain in detail how he arrived at this conclusion, but the implications are that it is linked up with the second point he made, which overshadowed the whole debate, namely, that the red forces which had scattered and gone underground before the last elections, were once again on the warpath. Mr. Lee was equally inexplicit about the way in which the PAP Government proposed to deal with this situation, but he did say that the "non-Communist Democratic Socialist" PAP would fight its own battles "on our own issue, on our own making, and at a time of our own choosing". Mr. Lee went on rather curiously to say that "any challenge to ultimate authority will be made not to the Singapore Government, whose force is not supreme, but to the British. To stand in front of the British armed forces when a collision takes place with the forces of violent revolution would be foolhardy. This was not to say, however, that the Government intends to abdicate and adjure its authority under the Constitution." But it is rather difficult to say on what grounds Mr. Lee makes this statement, as internal security is a responsibility of the

Singapore Government as much as any other internal matter.

Mr. A. P. Rajah (Singapore People's Alliance), perhaps the most articulate member of the Opposition in the Legislative Assembly, commented that the term "non-Communist" used by the Prime Minister to describe the PAP had no intrinsic meaning but was intended to tell the Communists "we are not against you. You are not against us." Mr. Lee had his explanation ready, which was that the word "non-Communist" meant "no-Communist, not Communists" and was used because the Communists frequently referred to themselves as Democratic Socialists; therefore, the term "non-Communist" was used by the PAP to differentiate it from the Communists. This ingenious answer disposed of the matter for the time being, but, of course, it has not disposed of the Communists, and Singapore would do well to take Mr. Lee's warning to heart.

Australia

Who will people the Deserts?

From Charles Meeking, Canberra

In Australia, as in Britain today, major political interest lies in personalities and evolving philosophies on the conservative side of politics, while the Labour Opposition struggles in the clammy toils of dissension. Yet all Australian politicians are agreed on some clichés which have served well in the past, and in particular on assertions that Australia must develop its "empty North", the portion of the continent lying in the tropics.

Much of this area has sufficient water and natural wealth to justify settlement now by pioneers who do not demand city amenities and have sufficient cash to buy in the first place, and stock their areas in the second.

One recent observer drove through an area of 750,000 square miles in which there were only 15 towns, the largest one the mining centre of Mt. Isa had 12,000 people. Fewer than 40,000 people, he said, lived in this one-third of the continent, of which millions of acres were good grazing country, and were completely neglected.

That was one aspect of the problem. Another one, which reinforces it and makes it far more urgent, is the rapid advance being made in rain-making techniques in Australia and desalination processes elsewhere. These developments, if combined, may make it economically practicable soon to bring water to the good soil of the parched deserts in central Australia, from the Great Australian Bight northwards.

No one knows when this will be, but it cannot be long hence. Neither has anyone hazarded a guess as to the population which these now virtually unoccupied and immense areas could support.

This, at least as much as the future of New Guinea, is a problem which should be considered by the Australian politicians of all parties. Yet nothing is done about it, beyond the declamatory references of election speeches.

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Least of all is anyone prepared to discuss possible sources of the population which must eventually occupy and develop these areas. The present 10½ million Australians, clinging to the more attractive, temperate and closely settled Pacific seaboard and the extreme South-West of the continent, cannot provide the people, and neither can Europe, source of practically all Australians.

Admittedly, portions of Asia, including some desert areas, could support far higher populations. Indonesia estimates that the Republic could support 200 million in place of the present 90 million. However, other areas of Asia are grossly overcrowded and undernourished, and it seems possible that from these areas pressure may come on Australia if and when habitation becomes practicable on great new areas of the Australian continent.

The problem is neither academic nor distant. It should be faced now, and some decisions reached by Canberra. If it is not, the decisions may be made elsewhere.

In the meantime, the promised decisions on advancement of the Australian end of New Guinea are still not forthcoming as this is written. This suggests doubts as to performance.

When the Minister for Territories, Mr. Paul Hasluck, said recently that Australia had not failed in education for the New Guinea—Papua territory, but he was "far from satisfied with our achievement," he went on to say that in 1959 there were 187,000 children in 4,054 schools. It was left for a Methodist clergyman to add the dismaying footnote that there are 450,000 children of school age in the territory, and that of those at school, only 18,000 were being taught in administration schools. The remainder of the 187,000 were in mission schools.

No one can doubt the Minister's statement that New Guinea is still "almost unbelievably primitive" except where modifications have followed the arrival of Europeans. Neither can it be doubted that large expenditures will be needed there before self-government. Yet Australia has been in control for about half a century. In the last 15 years there has been the nearby example of what happened in Indonesia, where the Dutch had failed to prepare the Indonesian people for self-government. It remains to be demonstrated whether Australia is giving the New Guineans adequate preparation, and giving it fast enough.

A further indictment of Australia comes from long-established and well-known Australian settlers, who disagree on what would happen if Australia left the territory but paint disturbing alternatives. One sector believes that the native peoples would turn against Europeans; the other that there would be internecine warfare among the natives.

LETTER TO THE EDITOR

Ignored Indonesia

Sir,—Under 'Comment' in your issue of EASTERN WORLD for May 1960 you make certain categorical statements under the heading 'Ignored Indonesia' which are I think sufficiently controversial to demand comment. I am not trying to pass judgment on the big question of whether or not it would be morally desirable or diplomatically expedient for the Dutch to hand over West Irian to Indonesia. There are two rather evenly balanced sides to this question and here I am only concerned with what I think to be your unfair comments.

Firstly in speaking of the proposed new Council containing a majority of Papuans, you say that it is unlikely that the people in the territory will be satisfied with anything less than complete independence within the rest of Indonesia. No doubt the first part of this sentence is ultimately true. But you appear tacitly to assume that the Dutch will refuse to grant them independence. Why? You also presume that in the rather distant future when this primitive people has evolved out of its present 'stone-age' culture it will want independence within the rest of Indonesia. I do not think that you have any right to make this assumption to-day.

Secondly, you say that the West is supporting the continuance of colonialism in a region where this carries the worst possible stigma. I am not prepared to agree with this extreme comment but even if one grants it to be partially true, in the case of, say, Java, have you any reason to think it to be true of Western New Guinea? And would you go on therefore to presume that the

Dutch administration there has fallen far below the standards of the neighbouring Australian administration in the Eastern half of the big island? Perhaps indeed you would logically go on to argue that the Australians should hand over their section of the island to Indonesia?

Thirdly, you speak of Indonesia smarting under the results of former exploitation. It is true that there was an element of exploitation in Dutch rule, especially in its early days, and that the Dutch may be judged guilty of failing to educate the Indonesians up to governing themselves. But it should also be recognised that the Dutch brought the area technically into the modern world and did a great deal on the material plane for their former subjects.

Indonesia is essentially a geographical expression. It is about as far from Achin Head to West Irian as it is from Ireland to Constantinople. And within Indonesia there are diversities of race and language equivalent to those found in Europe. By an historical accident for a time this vast area was under the rule of one country—Holland. In the same way most of Europe was once under the rule of Rome. Now what has happened is that a small Javanese oligarchy has become the heirs to Dutch power and this oligarchy is not liked i: many non-Javanese parts of Indonesia, as can be seen from the rebellions which still simmer in Sumatra and Celebes. There is therefore no reason to think to-day that this Javanese oligarchy would be any more popular amongst the primitives of West Irian, or that these primitives would prefer to be ruled from Djakarta rather than from the Hague.

Yours sincerely,

W. C. S. CORRY

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Recent Books

The Commonwealth We Live In by DUDLEY BARKER (*Central Office of Information*, 2s. 6d.).

This is designed as a general introduction to the Commonwealth as it is today, and describes the changes that have taken place within the Commonwealth since Canada acquired responsible Government in 1867. It describes the variety of constitutions to be found in the Commonwealth and the various stages of development on the road to self-government, and emphasises the importance paid to discussion and consultation between members and the United Kingdom Government. The illustrations are attractive and well-chosen, and some reproductions of the work of Commonwealth artists are also included.

Toyokuni (Distributed by Mark Paterson for Charles E. Tuttle Company, 10s. 6d.).

Utagawa Toyokuni, the great eclectic of Japanese wood block artists, was the prime mover in the prolific Utagawa school which flourished from about 1790 onwards. His superb sense of colour, more vigorous than Sharaku's, was admirably suited to the pictures of Kabuki actors with which he captivated the theatregoers of the period. These pictures of famous actors are more than mere portraits—they are full of vigour and character and captured the atmosphere of the stage without exaggeration or over-attention to detail. Later this vigorous line became more fluid and graceful as the compositions became more crowded—pictures of famous geisha, of maids and their mistresses, of rich young men idling in "pleasure boats".

Harvest by YEH TZU (*Peking: Foreign Languages Press*).

Yeh Tzu was a young Chinese revolutionary writer of the 'thirties and took part in the great upheavals which stirred his home county in Yunan Province during the civil war of 1925. The title story "Harvest" portrays the peasants of Hunan during this period, their struggles against greedy officials and landlords and the constant fight against starvation and poor returns for their crops—struggles which led to the anti-rent movement and became part of the revolution itself. Although these stories have not the literary value and personal insight of those of other writers like Lu Hsun or Mao Tun, nevertheless

they can be read for their direct and simple evocation of the incredible hardships suffered by the peasants and millworkers at that time.

Zen Comes West by CHRISTMAS HUMPHRIES (*Allen & Unwin*, 2ls.).

It appears that more and more people in the West are finding in Zen the answers to their spiritual problems. The ways of approach to Zen are infinite and are not confined to Japan alone, and Mr. Humphreys thinks that in time a Western School of Zen may evolve.

This book is mainly a collection of letters from Mr. Humphreys to members of the Zen class held by the Buddhist Society in London, and deals with problems encountered by the members as they became more and more involved in Zen and its application to everyday life. The subjects of the letters range from simple Zen precepts to more advanced studies and are a lively mixture of bullying, teasing and down to earth metaphors, combined with much "practical" advice.

A History of Modern Japan by RICHARD STORRY (*Penguin Books*, 4s.).

The story of Japan's emergence as a modern state is one of the most fascinating examples of drastic social and political changes taking place without a violent revolution and without the severance of many of the links with the past. In Japan today it is becoming more and more difficult to separate not only the old from the new but the East from the West. Japan has made her mark during the last eighty years in art, war and commerce and out of the amalgam of influences to which she has been subjected, something recognizably Japanese has emerged—something as strangely contradictory as *hari-kiri*, the tea ceremony, Japanese painting or strip tease cabaret. This apparent dichotomy in the Japanese character has made Japan a difficult country for the West to understand. As Richard Storry points out, the Japanese response to intrusion by the Western world was a highly nervous, vivid compound of love and hate. Japan was the first country in Asia to be industrialised and the first Asian country to use the weapons of the West against the West. To this the Western world responded with emotions not unlike those experienced by the Japanese and this powerful interaction has shaped Japanese history over the last hundred years.

Mr. Storry admits that it is difficult, faced with all the adaptations and borrowings from abroad, to give a detached view of modern Japanese history. He gives a brief sketch of

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her early history, as far as it is known, up to the first contacts with the West, and then elaborates on the rise of westernisation, leading to the strengthening of militarism, the expansion of the Japanese empire, and the war with China and the events leading up to Pearl Harbour and Japan's subsequent position as a defeated and occupied country. This is a concise and factual account of the rise of the New Japan and in it the author shows his own appreciation of the Japanese character. With their irrepressible vitality and instinctive love of beauty he feels the Japanese have much to give the world.

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Economics and Trade

SOVIET OIL INCURSION INTO INDIA

K. KRISHNA MOORTHY

AS in many other fields of economic competition with the West in India, the Soviet Union put its best foot forward in the oil sector and has gained a secure foothold. The Soviet Union came into the field by supplying technical experts to the Government's Oil and Natural Gas Commission.

Russians were particularly helpful in exploration work in the Cambay region north of Bombay where Oil Minister Malaviya has claimed the find of a commercially feasible oilfield. This find is a spectacular development in that it is the first time that commercial oil resources have been found in India outside the Assam belt which had for 70 years been the only Indian source for crude oil. After the Cambay strike in September 1958, drilling continued vigorously in the region and in May this year another major strike was made 100 miles south of Cambay, at Ankleswar. The Government has announced its provisional plan for a medium-size refinery in the area and when it is put through Soviet aid will be sought.

Russia is already in the refining picture, having offered assistance for the establishment of a refinery in the public sector at Barauni, in Bihar State, with an annual capacity of two million tons. The Rumanians, who have also helped the Oil and Natural Gas Commission in drilling operations, have given aid for the building of a 750,000 ton refinery at Noonmati, in Assam State.

Early this year, the USSR came in with an offer to supply all the oil and oil products India needed to import and at prices much lower than those charged by western oil firms. The Soviet offer was hinged to an escalator scale with the discounts rising with the increase in supplies. Even in the beginning, Delhi was in no mood to make the country solely depend upon Soviet supplies; anyway there were many long-term agreements with western oil firms having refineries in India. As a section of opinion in the Indian Government was anxious to arrange for at least part of the crude oil supplies from the Soviet Union, Delhi asked Burmah-Shell, Stanvac and Caltex, who have refineries in India, whether they would process Soviet supplies. The western firms refused and the Government thereupon dropped the idea of importing Soviet crude oil.

At the same time, the Indian Government went ahead with an agreement with the Soviet Union for the import of 1.5 million tons of kerosene and diesel oil in the next four years. The deal, made at prices lower than western, will involve Rs. 20 crores and the biggest concession is that the payment will be made in rupees, a condition attractive to India which is short of foreign exchange. The Indian refineries also produce a surplus of petrol but the country is short of diesel oil and kerosene. The imports from Russia are to be distributed by the Indian Oil Company, a firm the Government formed primarily to distribute the products of the public sector refineries when they go on stream.

The Indian Government has also signed an agreement with the USSR under which about 100 Soviet experts are expected to arrive in India and 100 Indians are to go to Russia for advanced training in oil technology. Russia will help India set up workshops to make spares for equipment already received from the Soviet Union.

As the details of the deals with Russia were announced, Burmah-Shell revealed that it had negotiated for reductions in the price it

pays for the crude oil imported for refining in its Bombay plant. It announced two cuts, totalling 12½ per cent. Standard Vacuum announced that its current price for crude was 15 cents a barrel lower than it used to pay. The Government, however, is still not satisfied with the price reductions.

India's oil bill currently accounts for more than 10 per cent of its imports, with only the Assam Oil Company using indigenous crude. The first oil well in Assam was drilled as long ago as 1890 and the first refinery set up at Margeritha in 1893. The Assam Oil Company's Digboi refinery was erected in 1901. Oil was found in Nahorkatiya in the middle of 1953 and more than 65 oil wells have been drilled. The proven resources of the Nahorkatiya and Moran oilfields are nearly 29 million tons of oil. To utilise the resources in the area a new company was formed, called Oil India Limited, in which the Government holds one third of the shares and the Burmah Oil subsidiary, Assam Oil Company, the rest. Oil India is building a 720-mile pipeline to supply crude oil to the public sector refineries at Noonmati and Barauni which will be commissioned in two years.

Current consumption in India is about seven million tons and only half a million tons of it is produced indigenously, at Digboi. When the two public sector refineries go into production, the Government sector will be responsible for about a third of the Indian output. While the Planning Commission has estimated 1965-66 needs (at the end of the Third Plan) at 10 million tons, this estimate is considered to be on the very low side. Independent estimates are that India will need about 15 million tons in five years. By 1976 the consumption might rise to 50 million tons. Imports to feed such huge needs will be ruinous to the Indian economy and the Indian Government is keen to explore oil prospects in the country to the full. Investments for this have been estimated at Rs. 3,000 crores, half of the amount for prospecting and the balance for transportation and refining. Such an investment is far beyond the capacity of the Government. Therefore, the Government of India has revised its much criticised policy of reserving exploration for the public sector. Foreign firms will be granted licences for exploration.

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SWITZERLAND'S exports to India, China, Hong Kong, Japan and Australia accounted for over six per cent of the country's global exports during the first half of 1960, while Swiss imports from these countries accounted for only 2.2 per cent of Switzerland's global imports.

This position is of even greater importance when seen against the background of Switzerland's overall trade. The trend of Swiss global imports rising at a greater rate than the country's exports continued during the first half of 1960. Swiss overall imports reached the value of 4,582 million Sw. Fr. compared with 3,863 million during the corresponding period of 1959, while the country's overall exports expanded from 3,341 million to 3,792 million Sw. Fr. during the same period. Thus the unfavourable trade balance increased from a monthly average of about 85 million Sw. Fr. (£7 million) during the first six months of 1959 to over 130 million Sw. Fr. (£11 million) during the first half of 1960. Even if the unfavourable visible trade balance does not affect the strength of Switzerland's economy (the country has large invisible trade earnings, including those from the tourist trade), the trade with countries which results in a favourable trade balance from Switzerland is of great importance to the country's economy.

Swiss industries are geared towards export. Switzerland has achieved the world's highest export rate per capita of population, and Swiss industrialists fully realise the importance of Asian markets and their potential.

Credit agreement with India

During the first six months of 1960 Swiss exports to India amounted to 46.5 million Sw. Fr., and thus reached the annual level of 93 million as against 83 million actual exports in 1959. The value of exports was more than four-fold of the value of imports which amounted to 10.6 million Sw. Fr. (annual rate—21 million Sw. Fr. as against 24 million in 1959).

The recent credit agreement between the two countries, the discussions on which were initiated by India's Finance Minister Mr. M. Desai last year, should be seen against the background of India's requirements of foreign exchange for the country's development programmes, and of the Swiss interest in assisting India in this endeavour and in providing Swiss industries with opportunities to sell capital goods to this important market. The agreement signed on July 31 by Mr. Vellodi, India's Ambassador to Switzerland, and Mr. Stopper, Swiss Minister for Trade Agreements, provides for the purchase of Swiss capital goods by India for the country's development programmes. The credit is for a period of ten years, covering transactions of the value of 100 million Sw. Fr. (about £8.3 million). Of the total amount a sum of 60 million Sw. Fr. (£5 million) will be made available immediately. The credit will be supplied by a consortium of Swiss banks on mutually agreed terms, and will be guaranteed by the Swiss Government within the framework of their federal law on export risk guarantees. Indian imports of specified capital goods under this agreement will be in addition to Indian imports under



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the normal import policy of the Government of India, which provides for non-discriminatory licensing as far as imports financed from India's own foreign exchange resources are concerned.

Furthermore a growing number of Swiss industrialists are at present investigating possibilities to participate with Indian interests in the manufacturing of their goods in India. This attitude corresponds with the general trend among western businessmen who appreciate the developing potential of the Indian market, and are interested in securing a foothold within the manufacturing industries of India. The shortage of man-power in western industries which sets a certain limit to the expansion of their production-capacity, represents in some cases an additional inducement for participating in manufacturing outside their own countries.

Trade with China and Hong Kong

While in the past Swiss official foreign trade statistics referred to trade with China and Hong Kong under the same heading, from January 1, 1960, these statistics list China and Hong Kong as separate units.

During the first half of 1960, Swiss imports from China were valued at 20.9 million Sw. Fr. and those from Hong Kong at 2.3 million Sw. Fr. Thus the imports were running at an annual level of 46.4 million Sw. Fr. compared with the actual imports valued at 49.8 million Sw. Fr. in 1959. Swiss exports to China

were valued at 20.6 million Sw. Fr. during the first half of 1960 (which means that the trade between the two countries was balanced), and exports to Hong Kong were valued at 51.8 million Sw. Fr. with a very strong favourable trade balance for Switzerland. The exports to both markets were valued at 72.4 million Sw. Fr. or at an annual rate of 144.8 million Sw. Fr. compared with 135 million in 1958 and 150 million Sw. Fr. in 1959.

Hong Kong is an important outlet for the Swiss watch industry, and during the first six months of 1960 over 870,000 watches were exported to Hong Kong. The other two big markets in Asia for Swiss watches were Singapore with nearly 450,000 watches and Ceylon with about 420,000 during the first half of 1960. The exports to these three Asian markets accounted for about nine per cent of Swiss global exports of 19.4 million watches.

Trade with Japan

During the first six months of 1960, Swiss imports from Japan amounted to 51.2 million Sw. Fr. (compared with the imports during the whole year of 1958—64 million, and during the whole year of 1959—95 million Sw. Fr.), and Swiss exports to Japan increased to 55.3 million Sw. Fr. (compared with 95 million in the whole of 1958, and 100 million Sw. Fr. during the whole of 1959). Japan is considered by Swiss industrialists as a very important market, and the trade is facilitated by some well-established Zurich trading firms which have their own offices in Japan (some of them act as agents for manufacturers outside Switzerland too, and have a high standing in Japan as, in addition to import activities into Japan, they also carry out export transactions from Japan to various continents, e.g. South America), and by the wide participation of Swiss firms at the annual fairs in Japan. It is expected that Japan's import liberalisation policy will result in a further increase of Swiss exports of capital goods to Japan.

Know-how agreement with Australia

An interesting agreement on cooperation was recently signed between the Aluminium Industry Company of Zurich and the Australian Aluminium Production Commission. The Swiss firm will assist in a £A3 million expansion scheme of the aluminium smelting works at Bell Bay, Tasmania. New plant will step up production of aluminium ingots from 12,000 tons to 16,000 tons and reduce costs of production, and the Swiss firm will supply design for the extra plant and technical advice. The additions which will include modern electrical furnaces are to take about three years to be completed.

Switzerland's trade with Australia continues to expand, and during the first six months of 1960 exports to Australia increased to 56.5 million Sw. Fr. compared with 99 million Sw. Fr. during the whole of 1959, while imports from Australia amounted to 15 million Sw. Fr. during the first half of 1960 compared with 25 million during the whole of 1958 and 27 million Sw. Fr. during the whole of 1959.

It is expected that Australia's participation at the Lausanne Fair as the "guest exhibitor" together with the Australian seminar held at the Fair last month will contribute to a further intensification of economic and trade relations between the two countries.

New UK Credit to India

AN agreement providing a £10 million credit to India was signed in New Delhi on August 16, by Mr. Malcolm MacDonald, UK High Commissioner in India, and Mr. L. K. Jha, Secretary to the Government of India in the Department of Economic Affairs.

A third of the credit is repayable in ten years, and the balance in 20 years. With this new credit the UK Government's assistance for India's Second Five-Year Plan totals £75.5 million (1,007 million Rs.). India will be able to draw on this credit for a broad range of her imports from Great Britain.

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At the signing ceremony Mr. MacDonald stressed the fact that the UK Government regarded it as their high duty to help developing countries of the Commonwealth in their vital task of raising their peoples' living standard, and drew the attention to the UK Government financial aid and UK private investments share in this field. Mr. Jha expressed gratitude for all the help India received from the UK and said that "The loans which the UK Government have made to us during the Second Five-Year Plan have helped us to finance projects like the steel plant at Durgapur which have been identified in the public mind as joint Indo-British enterprises" and referred to the fact that these loans have enabled India to maintain her imports of essential equipment and materials from the UK at a higher level than it would have been otherwise possible.

Trade between the two countries is an important factor for the national economy of both partners and if India has a highly unfavourable trade balance with all other industrialised countries it has a comparatively small unfavourable one with Great Britain due to the fact that large-scale exports from India find an outlet in the UK market.

The following table shows the development of UK trade with India:

	UK Imports	UK Exports
1957 whole year ...	157.4	175.6
1958 " " ...	139.4	160.3
1959 " " ...	142.6	171.3
1959 first half ...	61.1	82.8
1960 first half ...	70.0	78.6

(All figures in million £)

From the UK point of view the importance of trade with India can be seen from the fact that India is her fourth biggest trading partner (United States, Canada and Australia occupying the first three places).

A large number of UK manufacturing enterprises find a big market for their products in India, and during the first half of 1960 UK exports to that country included machinery (other than electric) to the value of £23.1 million, electrical machinery, apparatus and appliances—£8.0 million, road vehicles and aircraft—£11.6 million, railway vehicles—£1.0 million, iron and steel—£7.5 million, non-ferrous base metals—£2 million, manufactures of metals—£3.3 million, chemicals—£7.1 million, wool and wool tops—£2.5 million, petroleum and petroleum products—£1.9 million, paper, paper board, etc.—£0.9 million, rubber manufactures—£0.5 million, as well as scientific instruments, optical goods etc.—£1.4 million.

In addition to exports of goods to India, many UK firms have investments in India (over 80 per cent of all external business investment in India are from Great Britain) and the number of UK industrial firms participating with Indian interests in manufacturing activities in India is growing steadily.

There is no doubt that during the Third Five-Year Plan India

will have a rising demand for machinery and other products for the implementation of the various development projects. Mr. Jha in the above-mentioned speech referred to the forthcoming Five-Year Plan of India and said frankly that "As you know, our requirements of external assistance during the Third Five-Year Plan will be much larger than during the Second Plan. This is partly because of the greater development effort on which we are embarking and partly because of the decline in our sterling balances which we cannot draw any further. Our Third Plan includes many projects for which we have already benefited from your assistance and which we hope to develop and expand as visible examples of Indo-British cooperation."

There is a growing realisation among influential circles outside India that the success of India's Five-Year Plans is of greatest economic, humanitarian, social and political importance transcending the borders of India. This understanding has contributed to a better climate for India's securing external financial assistance to carry out her Plans (see the report on Swiss loan to India, in this issue of EASTERN WORLD, page 36), and it is to be hoped that the actual agreements providing the required foreign exchange funds for the Third Plan will be signed at an early date.

Sweden's Trade with Asia

Sweden's trade with most countries of Asia and the Far East registered an increase during the first four months of 1960 compared with the corresponding period of 1959, and the following table shows the development of Sweden's trade with her main trading partners in that area:

	Sweden's exports		Sweden's imports	
	1959	1960	1959	1960
India ...	32.9	35.2	7.3	10.5
Pakistan ...	2.6	5.2	4.0	6.3
Ceylon ...	2.4	4.3	7.2	6.5
Burma and Federation of Malaya ...	3.5	5.8	23.5	44.9
Indonesia ...	3.8	7.7	14.3	7.9
The Philippines ...	3.9	3.7	20.3	29.4
China ...	15.2	19.8	10.7	11.6
Japan ...	15.3	16.2	39.7	48.6

(all figures in million Sw. Cr.)

The number of Swedish firms establishing cooperation with Indian firms continues to grow (see EASTERN WORLD, June 1960, page 46). Among the latest agreements in this field is the formation of a joint company in India, Tata-Johnson Private Ltd., by The

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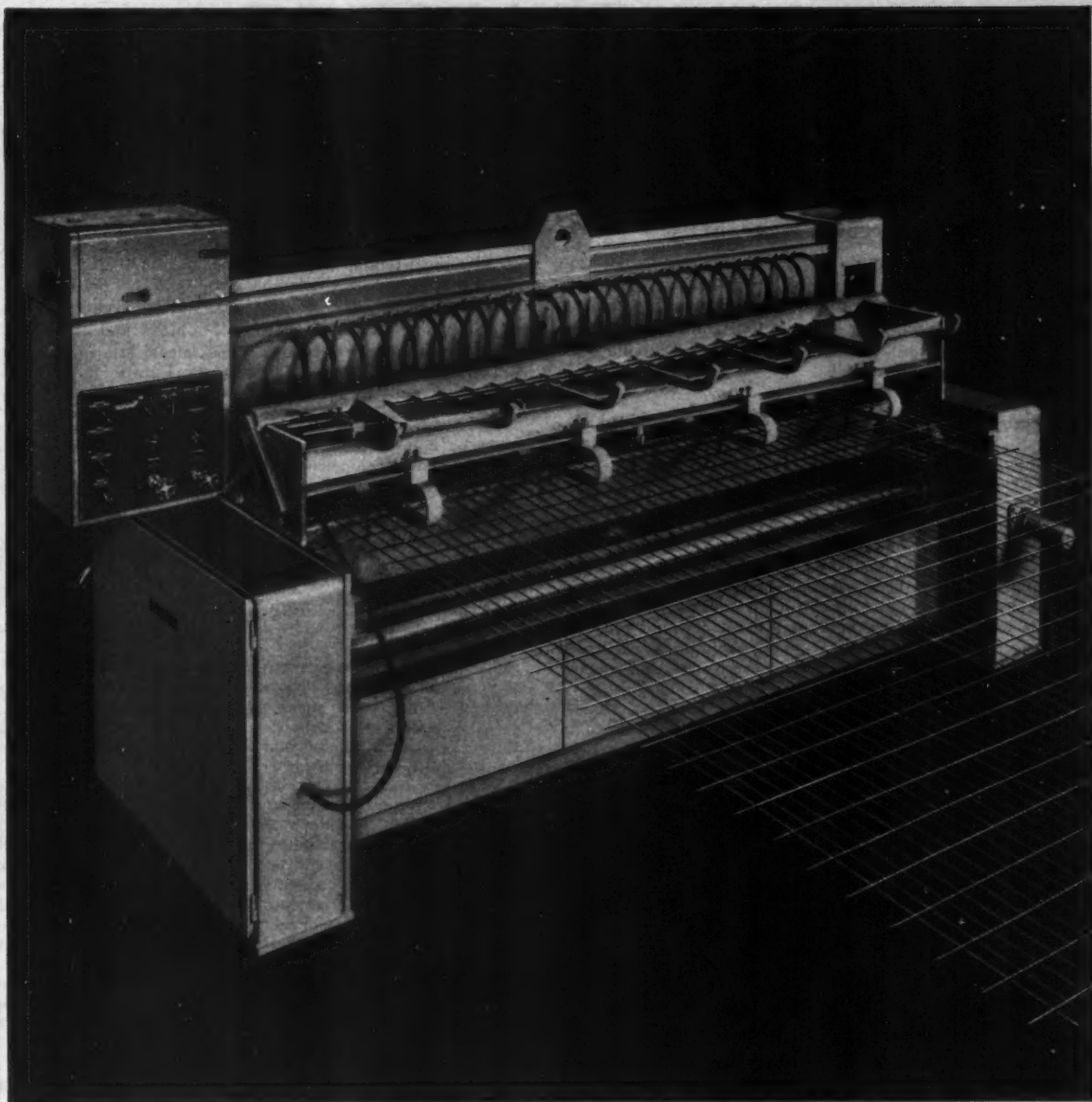
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Johnson Concern of Stockholm and Tata Industries of India. The new company will be selling equipment for the pulp and paper industry of India and the manufacturing of the equipment will be split up between the Johnson subsidiary Karlstads Mekaniska Werkstad (KMW) and Tata Locomotive and Engineering Company Ltd. (Telco), Jamshedpur, the Indian company using KMW's designs.

Among recent orders secured by Swedish firms from the Far East was a contract for delivery and installation of an automatic crossbar telephone exchange for 10,000 lines for the Krung Kasem district in Bangkok. This is the first large telephone order for L. M. Ericsson of Stockholm from Thailand and is to the value of over 5 million Sw. Cr.

Sweden's exports to Australia reached the value of Sw. Cr. 49.1 million during the first four months of 1960 as against 39.9 million during the corresponding period of 1959. Sweden's imports from Australia decreased during the same periods from 9.3 million to 7.8 million Sw. Cr. and Sweden had a strong favourable trade balance in her trade with Australia.

Ceylon's Chances

H. D. Evers

IN recent years a large number of economic experts have visited Ceylon, making suggestions and working out plans, but one question has always been overlooked: What does the average Ceylonese think of the development of his country, what are his hopes, his fears and his feelings? It is what I would call "the psychological factor", which cannot be expressed in figures, which is difficult to trace, but which is nevertheless of eminent importance for the economic development of a country.

It is generally thought that Ceylon's economy is soon to collapse, and judging by Ceylon's newspapers, one would be inclined to agree to it. Fortunately, the economic situation there is brighter than the newspapers and the Ceylonese themselves make it out to be.

Ceylon has very good roads, her railways are in no way different from the European railways; thousands of acres of land have been irrigated and cultivated, rubber is replanted and a hydro-electric scheme has been completed. The University at Peradeniya is one of the most modern and most beautiful in the world. A health service with free medical treatment is provided, and a milk board and research stations are in operation.

Another most impressive achievement is the Minipe Scheme where in one of the most remote regions of Ceylon a huge area of fertile paddy land has been created, the second stage of which is now under way.

Furthermore the traffic in Colombo is thicker than in most European cities of the same size. Huge bank buildings, hundreds

of trading companies indicate the importance and world-wide trade and commerce being done there. Parks and bungalows outside the city are numerous, and the usual slum quarters, to be found in almost every tropical town, do not exist to the same extent here.

From Colombo to Peradeniya the soil is intensively used, light green paddy, coconut and rubber leave not a single patch of land uncultivated. Most of the houses show a certain amount of prosperity, the people are cleanly dressed. In comparison with underdeveloped countries in Africa and South America, Ceylon looks like a paradise.

Undoubtedly this is the most prosperous part of the island, the wet zone, whereas three-quarters of Ceylon is occupied by the dry zone, which however is comparatively wet as there is an average annual rainfall of 30 to 40 inches.

Government officials continuously point out that the lack of raw materials is the main hindrance to economic development. Iron ore and coal are obviously essential for heavy industry, but is it really necessary to start economic development in a small country like Ceylon, with heavy industry? In Europe the economic development did not start on the basis of raw materials, but on commerce and agriculture.

That does not mean industrialisation is unnecessary. Ceylon should be industrialised, and not merely on the lines proposed in the different development programmes, such as the World Bank Report. As soon as the hydro-electric schemes are more advanced and as soon as there is a demand for iron and steel, a way must be found to build up a heavy industry. If it is possible and economical to transport ore from India or Goa to Europe, surely it will be possible and economical to carry ore to Ceylon in the future. Moreover there is some iron ore in Ceylon (about 5-6 million tons) which can, according to Prof. Kularatnam, Head of the Department of Geography of the Ceylon University, be used for manufacturing steel.

Ceylon's economy being entirely dependent on the export of a few agricultural products finds itself in a rather difficult position. Nevertheless there are advantages in the situation because if Ceylon is dependent on countries like the UK and Germany who buy tea, desiccated coconuts and margarine from her, those are in turn very much dependent on Ceylon as well.

The export trade provides the possibility to import industrial goods on a large scale, as the tea "industry" is working on a fairly high rate of profit, the lion share of which does not disappear in the pockets of the shareholders but is earned by the government by way of export duties and taxes. Unfortunately this possibility to import capital goods necessary to build up an industry is seldom used and luxury goods are too often imported on a large scale.

To promote stable economic development the people of Ceylon should first realise what has already been achieved, how far the country has already been developed. What is mainly lacking is not natural resources but enthusiasm to build up the country. Communism, socialism or capitalism, whichever systems you consider, the main thing is still the same—the will to do the job, the will to develop the country.

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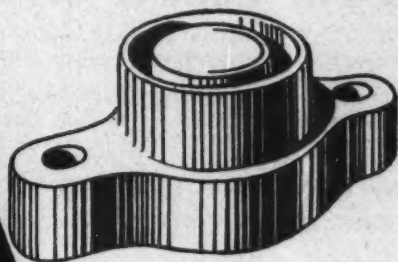
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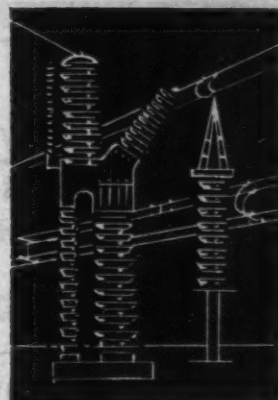
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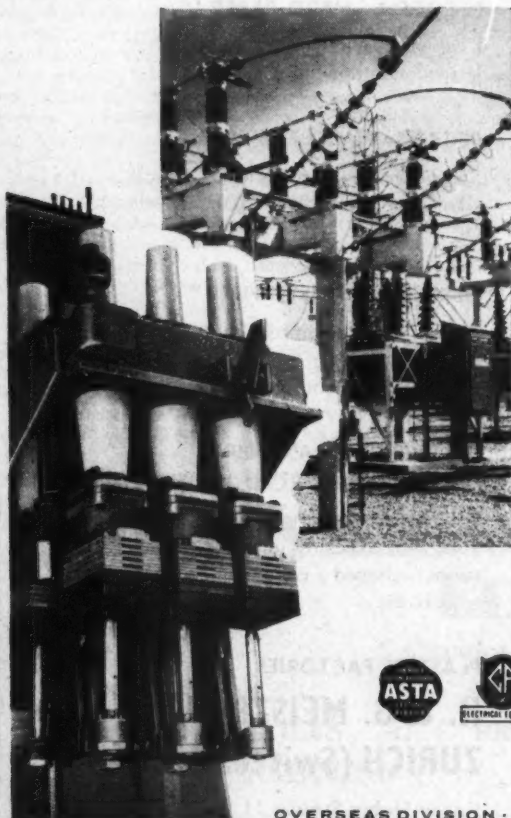
US capital flows into Hong Kong

The United States, while adopting different restrictive and discriminating measures against Hong Kong goods, is herself rapidly increasing her exports to Hong Kong. According to local reports, American exports to Hong Kong during the first season of the year have doubled those of the same period of last year; and the local firms financed by American capital have increased to more than two hundred.

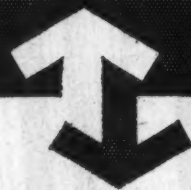
The influx of American capital into Hong Kong was recently highlighted by the interview of Mr. Samuel Berger, President of First American Natural Ferns Co. Mr. Berger announced

that his company planned to build a HK\$20,000,000 chemical factory in Hong Kong.

Mr. Berger's company is the largest manufacturer of plastic flowers in America, and the second largest importer of the flowers from Hong Kong. The factory will produce polyethelene, which is the raw material used in the manufacture of plastic flowers. Explaining his company's reasons for building a factory here, Mr. Berger said: "We have been hurt by the policy of the big plastic mills in America who have set one price—a world market price of US 32½ cent a pound. In Hong Kong the raw material can be bought for US 21 cent a pound."



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INDUSTRIAL AND COMMERCIAL NOTES

AFGHANISTAN—SOVIET UNION TRADE AGREEMENT

A two-year trade agreement has been signed providing for Soviet deliveries to Afghanistan of tractors, cranes, workshop equipment, various durable consumer goods, photographic equipment and other goods in exchange for Afghan products, including fruit.

D.L.F. LOAN TO VIETNAM

The Development Loan Fund recently announced the signing of an agreement covering a \$9,700,000 loan to the Government of Vietnam for the purchase of diesel-electric locomotives and railway cars for the Vietnam Railway System. This is the first D.L.F. loan agreement concluded with Vietnam. This loan will cover the purchase and installation of 23 diesel-electric locomotives, 64 passenger and freight cars, spare parts, shop and special equipment, machine tools, and technical services. Procurement will be made in the US.

The acquisition of this equipment will increase the transport capacity for both long haul and intermediate traffic, reduce operating costs and support Vietnam's economic and population growth.

AUSTRALIAN WOOL EXPORTS

Australia's exports of raw wool and tops increased during the 1959-60 season both in volume and value compared with the previous season. The global exports of wool have increased by about 10 per cent in volume and by about 30 per cent in value and amounted to 1,524.1 million lb. greasy basis valued at £A386.3 million in 1959-60 as against 1,392.2 million lb. valued at £A302.2 million in 1958-59.

This season Japan has taken over from the United Kingdom the role of the biggest buyer of Australian wool. Australian wool

exports to the UK decreased from 331 million lb. in 1958-59 to 291 million lb. in 1959-60, while exports to Japan during the same period have increased from 278 million lb. to 340 million lb.

Exports to the west European continental countries accounted for about 30 per cent of Australia's global exports and included exports to France—166 million lb., Italy—139 million lb., Belgium-Luxembourg—108 million lb., West Germany—80 million lb., Switzerland—6 million lb. all showing an increase compared with the exports in 1958-59 season.

Exports to east European countries accounted for about 8 per cent of Australia's

global wool exports in 1959-60 and included exports to the Soviet Union—39 million lb. (as against last season—0.3 million lb.), Poland—37 million lb., Czechoslovakia—30 million lb., East Germany—6 million lb., and Rumania—1.6 million lb.

Exports of raw wool to China increased from 10.6 million lb. in 1958-59, to 26 million lb. in 1959-60. During the same period Australia's exports of wool tops to China increased from 5.9 million lb. to 7.6 million lb., and China continued to be the biggest Australian outlet for wool tops. Australia's global exports of wool tops increased from 20.2 million lb. in 1958-59, to 22.9 million lb. in 1959-60. The 1959-60 exports included exports to Korea—4.7 million lb., India—4 million lb., Hong Kong—1.9 million lb., Formosa—1.3 million lb., Japan—1.0 million lb. and New Zealand—1.0 million lb.

TENDERS

TENDER No. SE.248

The Office of India Supply Mission, 2536 Massachusetts Avenue, N.W., Washington, 8, D.C., United States of America, invites tenders for the following:

Medium Crawler Tractor 180 H.P. with 22" tracks.

Tender documents, etc., relative to the above, can be obtained from the Co-ordination Branch, India Store Department, Bromyard Avenue, Acton, London, W.3, at a cost of 7 shillings and one penny per tender, and is not refundable. Tenders are to be returned direct to India Supply Mission, 2536 Massachusetts Avenue, N.W., Washington, 8, D.C., United States of America, so as to reach them by October 20, 1960.

Specimen copy of the above enquiry can be seen at India Store Department, Vehicles Branch, Bromyard Avenue, Acton, London, W.3, under the following reference: S.3490/60/AKB/VEH.

TENDER No. SE.234

The Office of India Supply Mission, 2536 Massachusetts Avenue, N.W., Washington, 8, D.C., United States of America, invites tenders for the following:

Diesel Crawler Tractor, 78-85 Draw Bar HP Comp. Qty. reqd. = 17 Nos. Also Crawler Tractor as above but with Hydraulic Bulldozer. Qty. reqd. = 40 Nos.

Tender documents, etc., relative to the above, can be obtained from the Co-ordination Branch, India Store Department, Bromyard Avenue, Acton, London, W.3, at a cost of 14 shillings and three pence per tender, and is not refundable. Tenders are to be returned direct to India Supply Mission, 2536 Massachusetts Avenue, N.W., Washington, 8, D.C., United States of America, so as to reach them by October 13, 1960.

Specimen copy of the above enquiry can be seen at India Store Department, Vehicles Branch, Bromyard Avenue, Acton, London, W.3, under the following reference: S.3503/60/AKB/VEH.

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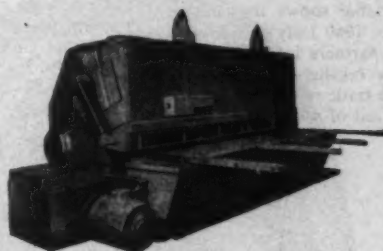
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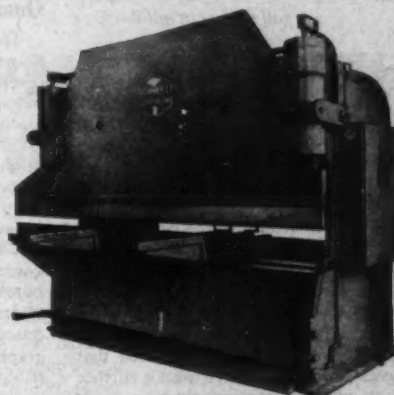
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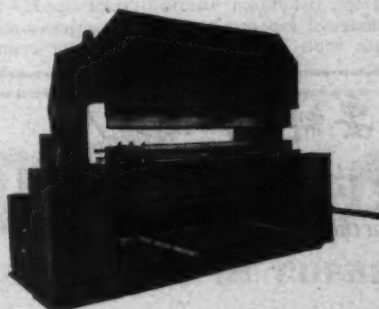
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ITALY'S TRADE WITH ASIA AND AUSTRALIA

The following table shows that during the first quarter of 1960 Italy's trade with the main trading partners in Asia as well as with Australia registered an increase compared with the trade returns during the corresponding period of 1959.

	Imports	
	1959	1960
Australia	13,483	20,688
Ceylon	804	1,593
Hong Kong	235	564
India	1,670	2,417
Japan	1,616	3,659
Federation of Malaya	6,390	11,388
Pakistan	2,038	2,652
(all figures in million lire)		
	Exports	
	1959	1960
Australia	2,752	4,887
Ceylon	269	692
Hong Kong	869	2,245
India	6,278	8,018
Japan	1,184	2,216
Federation of Malaya	683	957
Pakistan	1,583	2,153
(all figures in million lire)		

JAPANESE TRADE FAIR IN MOSCOW

Japan's Trade Fair in Moscow, the biggest Trade Fair ever staged by Japan abroad was inaugurated by Mr. Mitsujiro Ishii, Japanese Minister of International Trade and Industry on August 16 in the presence of Mr. Mikoyan, the Soviet First Deputy Prime Minister, Mr. M. Nesterov, President of the Soviet Chamber of Commerce and other Soviet high officials. Mr. Ishii in his opening speech expressed satisfaction with the steady progress of trade between the two countries and added that there were good reasons to expect a further expansion of trade particularly as a result of the new Three-Year Trade Agreement which was signed in March.

The Japanese Minister stated that one of the main aims of the Exhibition was to foster Soviet purchases of Japanese textile machinery, machine tools and electronic

equipment. At present due to Japanese imports of Soviet timber, coal and oil the trade balance was unfavourable to Japan.

According to a recent report from Tokyo, the Soviet Union has recently placed large orders for textile machinery including

machinery for finishing cotton cloth, dyeing machinery as well as equipment for processing resin in Japan. The delivery is to take place in 1961 and 1962. Further orders for machinery of similar types are expected to be placed shortly.

SWISS INDUSTRIAL PRODUCTS FOR ASIA

Motosacoche successes in Asia

An increased number of orders from Thailand and Hong Kong has been secured by *Motosacoche S.A.*, Geneva, manufacturers of engine-driven Motowatt generating sets and self-priming pumps (equipped with four-stroke Mag petrol-engines) for use on building sites and in irrigation systems, as well as of two-stroke and four-stroke Mag petrol-engines suitable for concrete mixers, pumps, winches and agricultural machinery. This Swiss company is expanding their manufacturing programme by increasing the range of the above-mentioned products, and are also building-up their sales organisation in Asian and Far Eastern countries.

Quartz clocks for Asia

The "Oscilloquartz" department of *Ebauches S.A.*, Neuchatel, has supplied several quartz clocks to Asia. This Swiss manufacturer of a wide range of precision electronic equipment has carried out for several years research in the application of piezo-electricity to high-precision chronometry, and has been supplying quartz-controlled frequency standards for observatories. The 100 kc/s quartz crystal oscillator has been developed as an industrial frequency standard for horary groups. A number of clock- and watchmaking factories have installed *Ebauches B-319* quartz clock which synchronises the vibrographs and assures time keeping and distribution of uniform time. Their *B-288* quartz clock finds application in power stations to check the main power supply frequency, while the *B-243* quartz clock is used in industry e.g. for maintaining constant speed, calibration of instruments, filter measurements, etc. *Ebauches* pilot oscillator controls the coaxial cable mul-

tiplex telephone installations. *Ebauches* supply transistorised pulse units of decade-, binary- and other types (this company has a special department which manufactures germanium diffusion transistors). This equipment can be used in accordance with the unit-construction principle in the design of process control plant.

New grab skip for hydraulic power stations

The Geneva firm *Jonneret S.A.*, which for over half a century has been specialising in building equipment for cleaning screen of hydraulic power stations in Europe and overseas, has introduced a new type of grab skip which cleans the screen as it goes down. It plunges into the trash at a great speed, and a row of knives scrapes the screen bars, while the teeth (forming a sort of comb) penetrate between the bars. During the downward movement of the skip, the trash removed from the screen is forced up inside the skip, which has the shape of an upturned basket.

De Roll's wide range of products for Asia

In connection with the industrialisation of Asian countries many products of the important industrial concern *Louis de Roll Iron Works Ltd.*, *Klus*, are becoming of increasing interest to these markets. Their manufacturing programme is very extensive and includes industrial fittings of all kinds, large and small as various sorts of valves (including acid-free flow valves and rubber diaphragm valves). Several types of presses are being built by De Roll, and recently a horizontal 2,000-ton bar and tube extrusion press was delivered by this company. Certain types of machine tools,

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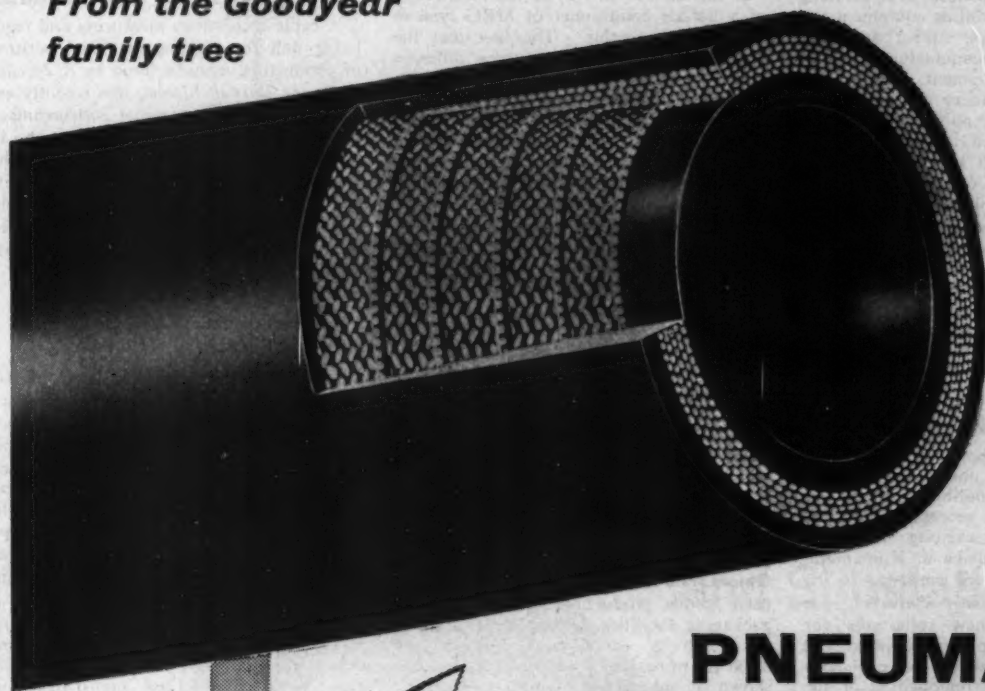
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* Wrapped Ply

A substantial construction for really hard service. Machine-built on mandrels to ensure smooth, uniform bore. Tube and covers compounded to suit duty. Lengths up to 80 ft.

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An easily-handled hose which does not readily kink. Mandrel-built for smooth, uniform bore. Close control of variations in dimensions when under pressure. Supplied in lengths up to 80 ft.

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Machine-built with braid reinforcement in lengths up to 500 ft. Minimises wastage as the exact length may be cut off as required. Flexible and kink-free.



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including forging machines and grinding machines, as well as rolling equipment and callanders for plastics, rubber and non-ferrous metals are manufactured by De Roll. Chemical equipment, complete installations and machinery for the cement industry are being exported by De Roll which have developed the modern high-capacity vertical shaft kiln for the manufacture of Portland cement. Municipal refuse incinerating plants were designed and erected in many countries, and the heat produced in these plants is utilised for the production of steam and hot water for extended heating systems. Another field of their activity is the manufacturing of cranes, elevators, cableways and mountain railways as well as the production of various goods for railway tracks.

Flour mills for Asia

In addition to supplying several new flour mills to Japan during the last few years the Swiss millbuilders *Buhler Brothers, Uzwil*, have recently remodelled and modernised the existing flour mill Kumamoto Seifun Kaisha at Kumamoto. The modernisation work consisted in the installation of pneumatic conveying for millstocks, and of new roller mills for certain passages. Replacement of all old purifiers by new ones of the tripledeck type MQRC and the remodelling of the mill flow according to the Buhler system

was carried out, as well as the installation of a hot-air conditioner of MRG type in the cleaning section. The fact that the Kumamoto mill processes three different wheat varieties, namely domestic wheat, soft-wheat (Western White and Australian) and hard-wheat (Canadian and US wheat) was taken into consideration for working out the flow sheets so that it is now possible to grind all three varieties alternatively without making any changes at the sifters and with only minor adjustments on the purifiers. This was achieved by the installation of the three-sieve purifiers, which can easily handle a variation of stocks by the change-over without extensive change of sieves, etc. The remodelling of this mill proved to be a good success.

In Mysore (India) a "Buhler" pilot plant produces tapioca—macaroni (2,000 lb. daily), a foodstuff of high nutritive value with about 10 per cent protein, nearly twice as nutritious as natural rice and which contains large quantities of minerals and vitamin B. It is made from a mixture of tapioca and flour. A model of an industrial tapioca-macaroni plant consisting of peanut processing plant, wheat-flour mill, tapioca-flour mill, mixing plant, continuous paste goods production and storage and packaging facilities with a daily capacity of 40,000 lb. of tapioca-macaroni and 8,000 lb. of standard wheat macaroni was shown at the recent "World Agriculture Fair" at New Delhi.

New Equipment for cable industries

A cable eccentricity measuring and regulating unit for aligning the axial position of conductors, manufactured by *E. Fischer & Co. of Busswil-Bienne*, was recently exhibited at the International Instruments—Electronics—Automation Exhibition in London. A number of Asian visitors to the exhibition have shown interest in this new equipment which can also be used to hold the wall thickness uniform in extruded tubings made from insulating materials such as plastics, etc.

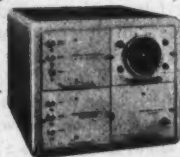
Pipes for chemical industries and oilpipelines

During the last eight years *H. & G. Meister Ltd., Zurich*, have been manufacturing glassfibre reinforced plastic pipes for the most diverse purposes, and have installed their piping in chemical and other industries in various countries, and their newly-developed pipes are also suitable for oil pipelines. The industrial development of Asian and Far Eastern countries provides them with a new outlet for their various products.

(Reports on Swiss machine tools of particular interest to the Asian markets have appeared in the June and August issues of EASTERN WORLD.)

EBAUCHES SA NEUCHATEL

EBAUCHES SA NEUCHATEL



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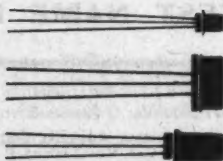
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Plug-in Decade units,
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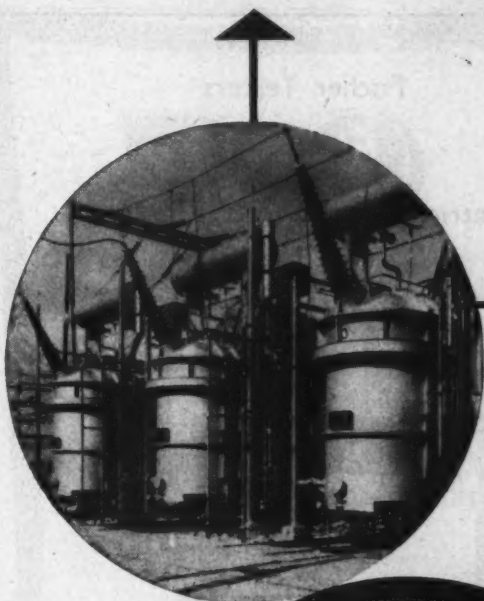
TRANSISTORS



Subminiature LF

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Power Stations and Substations



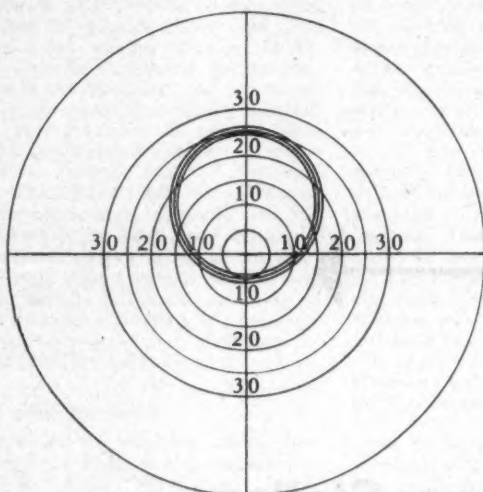
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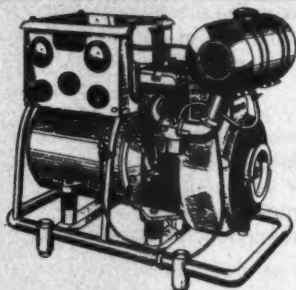
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acceleration without suction;

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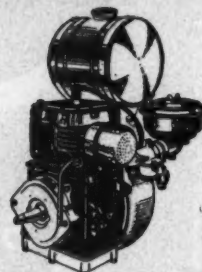
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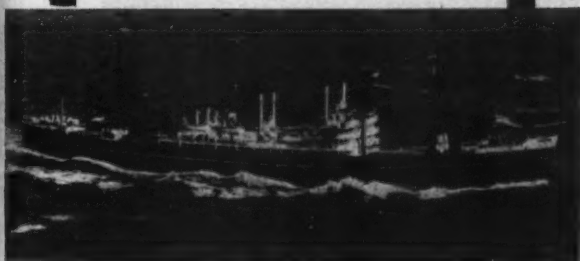
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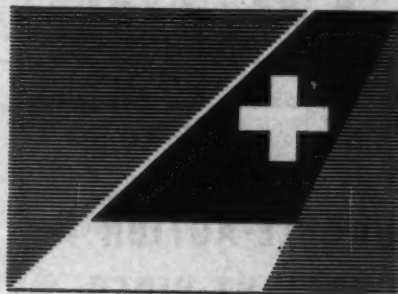
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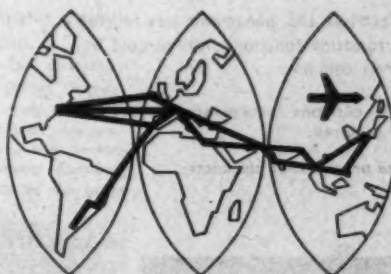
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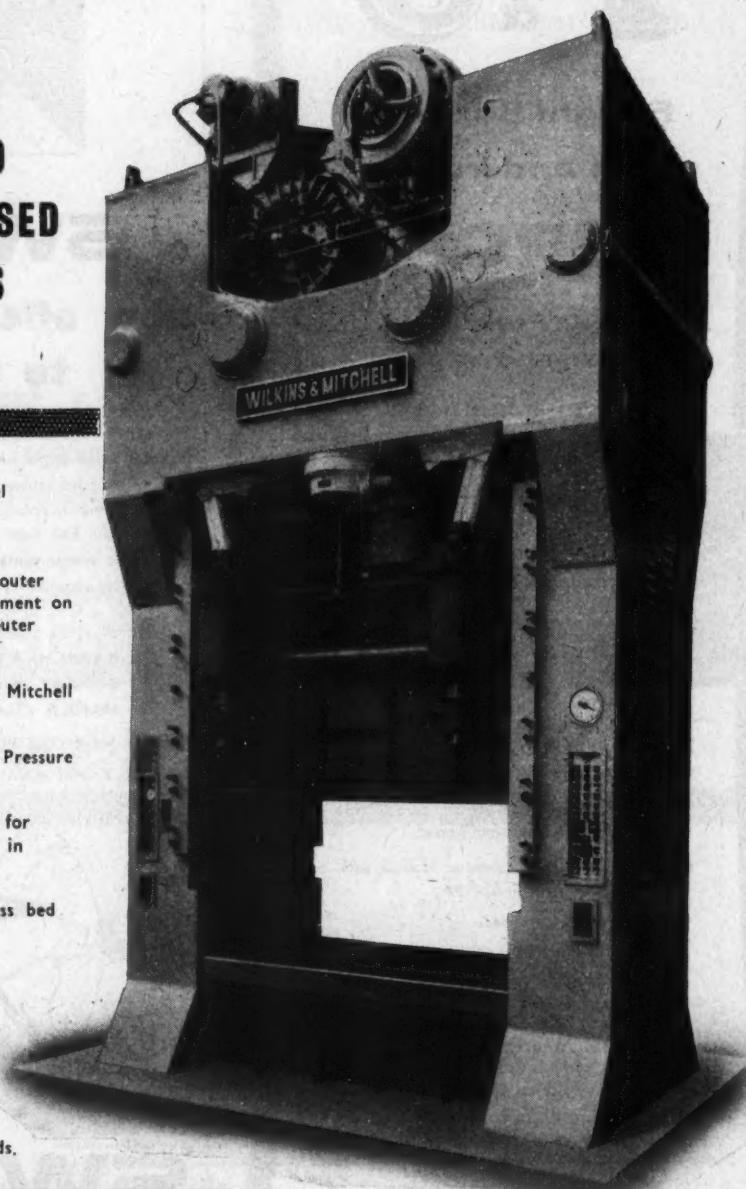
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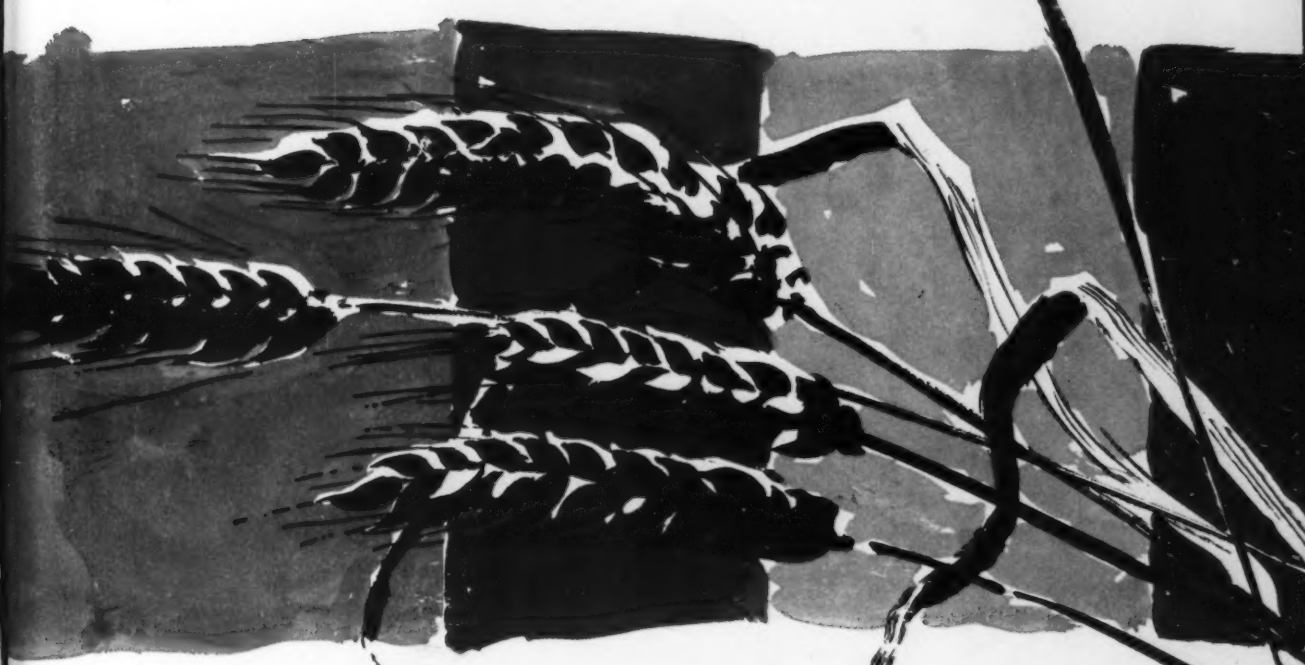
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The closeness of connection between intensive treatment of the soil and higher crop yields is, in turn, indicated by the following tell-tale figures: In 1880 an average of 0.6 lb. of nitrogen fertilizer was applied in Germany per acre of farmland. In 1936, it rose to 18 lb. and by 1958 to an average of 36 lb. During the same period, crop yields soared from an average of 1,150 lb. of wheat per acre in 1880 to 1,960 lb. in 1936, and to 2,680 lb. in 1958. This enormous increase was achieved primarily through the growing use of modern fertilization.

In central Europe, it has banished the fear of hunger and starvation. The densely populated, highly-industrialized nations today achieve crop yields $4\frac{1}{2}$ times larger than 100 years ago. At present, one acre of farmland can grow enough to feed one person, although in not-distant countries along Europe's outer rim the ratio rises to as much as 4.5 acres per person.

Nitrogen from Germany primarily comes from the Ruhr area: from RUHR-STICKSTOFF AG at Bochum. This firm is the nitrogen sales organization of 8 factories producing synthetic nitrogen fertilizers and of a great number of coking plants. RUHR-STICKSTOFF is one of the world's largest nitrogen exporters. Its products help to achieve more and better crops in more than 90 countries.



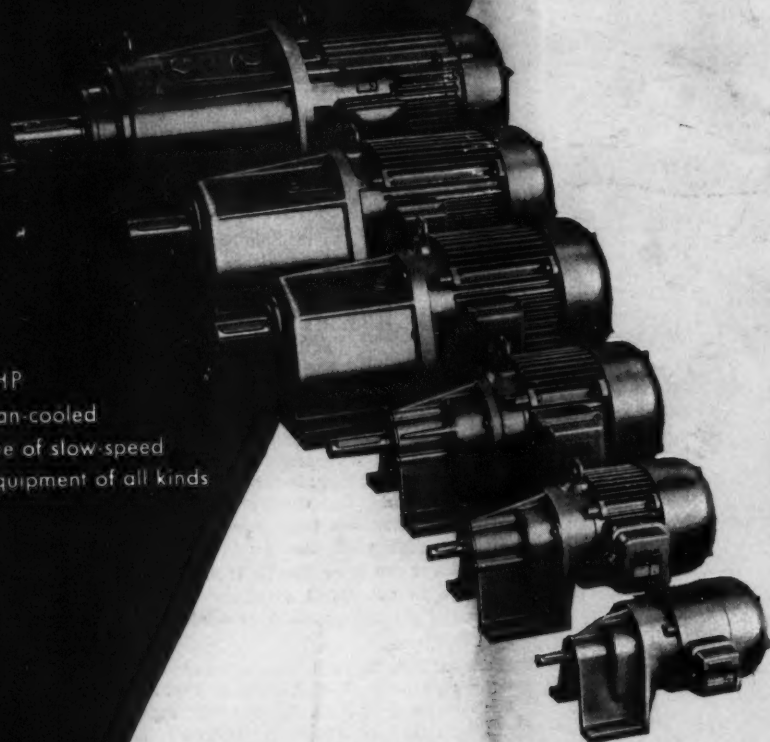
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